Friday September 16 1988

Greens threaten a cosy consensus

Moscow

nuggets on

gold trade

GLASNOST HAS reached the gold trade. The Soviet Union,

for years one of the biggest and most secretive players in this supremely capitalist of mar-kets, has decided to give the

West some clues as to bow it plays the game.

The glimpse came this week when the two men in charge of

Moscow's multi-billion dollar

programme of gold sales decided to share a few - but

far from all - of their secrets with their trading contacts in

The venue was London's swish Savoy Hotel, where the prospect of a chat with Mr Vla-

dimir Malinin, deputy chair-man of the Bank for Foreign Economic Affairs, and Mr Ana-

toli Timokhine, its chief trader, attracted almost the entire

membership of the London Bullion Market Association.

Moscow sells around 200 to 300 tonnes of gold to the West every year. Even at today's depressed prices that adds up

to between \$2.5bn and \$4bn in

hard currency earnings. And the Bank for Economic Affairs

has a monopoly in selling it. But as Mr Malinin and Mr

Timokbine explained, the Soviet Union is not just in the business of selling gold. It now trades it for a quick

profit. From its dealing room in Moscow, the Bank for For-

eign Economic Affairs has

joined the ranks of market-makers like London's Mocatta

or N.M. Rothschild.

By Philip Stephens

reveals

Sri Lanka's President **Jayawardene** to step down

World News

President Junius Jayawardene of Sa. Lanka has decided not to stand in the forthcoming presidential elections due between December 4 and Jamary 3. The candidate for the ruling United National Party will be Prime Minister Rana-

signhe Premadasa.
Indian forces began e five-day unilateral ceasefire in their campaign against militant Tamil separatists, while the extremist Singhalese JVP party is organising a nation-wide period of "mourning" to mark the president's 82nd birthday tomorrow, Page 22

Papal tour continues Barely 10,000 people attended a service in Lesotho, at which Pope John Paul beatified e 19th century French missionary.
The pontiff said he was "saddened" by the bus hijacking which ended in the capital, Maseru, on Wednesday night with the loss of six lives. SA consular siege, Page 5

More Burma unrest Around half a million demonstrators took to the streets of Rangoon amid growing signs that Burma's Socialist Govern-ment was crumbling.

Polish unity talks Solidarity leader Lech Walesa and Interior Minister Czeslaw Kiszczak met for the second time in two weeks to prepare for full-scale talks, Page 2

In Lenin's footsteps Soviet leader Mikhail Gorbachev, in a pilgrimage rich in symbolism, toured the Siberian village where Viadimir Lenin spent three years in exile before leading the 1917 Bolshevik Revolution, 760,000 ministry johs will go, Page 2

Yugoslay minorities Un to 20,000 people staged a protest rally in Volvodine, acc-using ethnic Albanians of per-secuting Serbs in Yugoslavia's troubled Kosovo province.

Iraq sanctions call The European Parliament accused Iraq of sittempting to exterminate its Kurdish population with chemical weapons and demanded an immediate ban on all arms sales to the

Polluted air claim A UN report said 1.8bn of the world's city-dwellers breathe disturbingly high levels of sul-phur dioxide, smoke and dust. The dirtiest air was found in Milan, followed by Shenyang (China), Tehran, Scoul and

Rio de Janeiro.

- 1

Postal back to work All but 14 of Britain's 82 main postal sorting offices were back at work, as local branches of the Union of Communication Workers voted to end a fortnight-long dispute over pay and staffing. Page 22

EC appeal to Belrut The 12 members of the EC made an "urgent appeal" to Lebanon's political factions to ensure orderly president elections next week. Background, Page 5

Olympic surprises The tiny Norwegian resort of Lillehammer was named to host the 1994 Winter Olympic Games. Libya unexpectedly stopped its team from flying to Seoul games, where the 1968 games open on Saturday. Plea to Libya, Page 5

Business Summary HCA to go private in \$3.3bn buy-out

HOSPITAL Corporation of America, the largest US hospi-tal chain, is seeking to go pri-vate in a \$3.32bn deal that could herald a big consolida-tion of the troubled industry.

PORSCHE, the West German sports car company hard hit by last year's stock market crash and the rise of the D-Mark, amounced the depar-ture of its top manager in the dominant US market, where sales have fallen. Page 23

KRAFT, the higgest US food processing group with nearly \$10hn of annual sales, revealed for the first time that it has given up hope of acquiring Par malat, one of Italy's largest food and dairy companies.

FRENCH Stock Exchange will present member firms on Mon-day with details of the major fund-raising operation designed to restore the bourse's reserve fund after heavy trading losses in late. 1987 and the early months of this year, Page 23

JACOBS SUCHARD, the Swiss chocolate and coffee group which lost the battle to take over Rowntree, will pay its shareholders a 10 per cent bonus from the extraordinary profit it collected when it sold its 29.9 per cent stake in the UK confectionery company to the victor, Nestlé. Page 26

ZAYRE, the US stores group, has agreed to sell its loss-mak-ing discount chain to Ames Department Stores for \$800m and a large minority stake in Ames so it can concentrate on its profitable speciality retailing operations, Page 24

US General Accounting Office raised to between \$40bu and. \$50bu estimate of the costs of rescuing insolvent savings and loan institutions. Page 24

DU PONT, US's biggest chemi-cals company, named Mr Edgar Woolard, 54, as next chairman and chief executive. Page 23

MOET Hennessy Louis Vultion (LVMH) shares have been spar-kling on the Paris Bourse as the struggle for control of France's leading cham cognac and luxury products group, reaches its long-awaited climax next week. Page 26

PROCORDIA, the Swedish state-controlled holding com-pany, is merging its pharma-centicals activities in West Germany and Spain with those of Pfrimmer, the West German family-owned drugs group.

SAUDI CAIRO Bank, a troubled joint venture with Egypt's Banque du Caire, has more than quadrupled pre-provision profits for the first half of 1988 to SR8.08m (\$2.15m) from

SRL9im, Page 25 HYSAN Development, a Houg Kong property development and investment group, reported net profits of HK\$175.4m (US\$25.5m) for six months to June a 20.6 per cent months to June, a 20.6 per cent increase over the same period

NORTH Broken Hill, Austra-lian base metals and forest products group, reported net profits for the year to June of A\$103.7m (US\$82.3m), up 75 per cent from the previous A\$59.0m. Page 25

last year. Page 25

COLES MYER, Australia's largest retail group, announced a one-for-eight scrip issue and a sharply increased dividend payout when it reported record profits and sales for the 53 weeks to July. Page 25

LEADER Federal Savings and Loan in Memphis, Tennessee, is to issue an Elvis Presley credit card bearing a picture of the late rock and roll star. Revenue will go to orphanages and children's homes.

France heads for row with Brussels over Renault plan

By Paul Betts in Paris and William Dawkins in Brussels

THE FRENCH Government appears to be heading for a conflict with the European Commission arising from its proposal yesterday of a modi-fied recapitalisation plan for Renault, the state-owned car

group. Paris said it would seek approval from the European Commission next week to recapitalise the balance sheet recapitalise the balance sheet of Renault, by retiring FFr 12bn (\$1.87bn) of debt, but without making any change to the special legal status of the company. Renault has accumulated debts of Ffr40bn, although it has recently become unofitable.

become profitable.

The plan contrasts with one agreed with the Commission in March by the conservative government at the time in Paris. That plan directly linked the debt retirement with a change in Renault's privileged status from a state owned regier, or appropriated status from a state owned regier, or appropriated status group. guaranteed state group, to a normal public company under state control.

As a state-owned "regie", Rensult is guaranteed by the state which ensures that, unlike ordinary private or state companies with negative balance sheets, the company cannot go bankrupt.

EC officials said yesterday that the Commission planned

to stick to its demand for a change in Renault'e status in return for approving a total of FFr20bn of state aid. This figure also includes a FFr8bn capital injection already made into the company.
Mr Roger Fauroux, French

By Bob King in Taipei

ing capital equipment.

on an equal footing with US companies when it is purchas-

The major policy shift means

that European companies in theory now have as good a

chance as their American com-petitors to supply billions of dollars worth of equipment and technology the island will require as Taiwan undertakes 14 big infrastructural projects

Underscoring the point, a Taiwanese delegation that will visit several European coun-

tries, including the UK, over the next few weeks will formal-ise agreements worth as much as \$1.6m, said Mr P.K. Chiang, who at the end of last mouth

and many smaller ones.

US Ford to build electronics plants

Ford will invest \$185m to build factories in Europe and the US to meet growing demand for electronic car components. The \$68m Spenish factory, which was to be sited in Britain, will be the company's first in Europe for the production of sophisticated electronic engine management systems. A \$117m similar factory will be built in Pennsylvania. Page 22

to argue his government's case to Mr Peter Sutherland, Euroto Mr Peter Sutherland, European commissioner responsible for competition, in Brussels on Tuesday. Mr Fauroux said yesterday that he hoped the Commission would accept the new plan for Renault.

The Franch minister said any change in Renault's status was essentially a domestic issue, and that the recapitalisation was designed to give Renault a positive balance sheet. He emphasised it would be a final state injection into Ren-

The French Government's request is likely to provoke controversy in France and in other EC member states. It comes just weeks before the Commission is due to edopt plans to liberalise the trade in cars, including an end to tech-nical trade barriers and bilateral import curbs. Any soften-ing of Brussels' stance on Renault would prompt a strong response from West Germany, which protested over the origi-

Taiwan to open door for

have long complained that Taiwan has systematically

excluded them from contention

for big contracts. Taiwan, in turn, has said such policies have resulted from its diplo-

matic dependence on the US and from its desire to reduce an annual multi-billion-dollar

Reduced Taiwanese exports to the US, brought about by a

variety of factors including the

weakness of the US dollar, have increasingly focused the island's attention on Europe as

a trading partner.

Mr Chiang said he believed
Europe would play an impor-

tant role in restructuring the island's economy through the

trade surplus with the US.

European capital goods

nal plan. The deal is likely to be equally unpopular in the UK, which was told in July to modify the debt write-off agree-ment under which Rover was being acquired by British Aero-

The Paris plan, which is also The Paris plan, which is also likely to come in for domestic criticism, is expected to be vigorously opposed by Mr Jacques Calvet, chairman of the private Pengeot car group. Mr Calvet has argued against any state support for the now profitable Renault which, he says, would distort competition in the French car industry. French car industry.

Mr Raymond Levy, Renault chairman, has long cam-paigned for a change in his group's legal status since he is understood to regard this as a key component in the group's recovery strategy.

The French Government wants to postpone a change in Renault's status because of potential political problems the move could provoke. The Communists and the pro-Communist CGT labour union have opposed any change in Ren-ault's status and the Government evidently wants to avoid a political confrontation at this

The Government would have had to present a hill in the entumn session of parliament to modify Renault's status in time to meet the Commission's original deadline. However, the Socialists are rejuctant to provoke a parliamentary battle over Benault's status in the

over the next tex

imports of 68.1 per cent.

Taipei had earlier declined to

allow such a mission because it

might give the impression that the government was abandon-

ing its prohibitions against



A Kingston resident surveys the storm damage to her home

Texans prepare to weather the storm

By James Abbott in Houston and Roderick Oram in New York

rexas Braced itself yesterday for the arrival of furricane Gilbert, the strongest hurricane on record, which has left a trail of destruction throughout the

Beinsurers worldwide are anxiously watching Gilbert'e progress. If the hurricane hits Texas, insurance claims on ships, oil installations and buildings will be enormous. Estimates start at \$2bn with

apparently no upper limit. Lloyd's of London insures a lot of business in Texas directly

and through reinsurance.

The worst of the destruction so far has been in Jameica, which was devastated by Gilbert's 281kph winds. The island will need about \$7:25bn to TAIWAN has decided that, was named the new director of development of capital and with a handful of exceptions, it Taiwan's foreign trade board. repair the damage caused by the storm, according to Mr Edward Seaga, the island's would encourage imports from Prime Minister. In Mexico, officials are still clearing the chaos left by Gilbert when it During the first seven months of this year, he said, Taiwan's trade with Europe reached \$10.5hn, an increase in passed through the Yucatan peninsula on Wednesday. The hurricane, which began near exports of 36.1 per cent and in Puerto Rico on Sunday, also hit Haiti, Dominican Republic, and the Cayman Islands. In a related development, the government has reversed its earlier stand and approved a visit by traders to the Soviet Union to explore market possi-bilities there.

Britain yesterday announced

devastation left by the hurri-cane, and the League of the Red Cross appealed for SF5.8m (\$3.7m) to feed 500,000 Jamaican victims during an initial period of two months.

Millions of people, from the Mexican border to the Flordia panhandle, were shuttering buildings, laying in emergency provisions or heading for higher ground yesterday as Gilbert headed towards them across the Gulf of Mexico.



2550,000 (\$918,500) worth of aid to help Jamaica cope with the

"We are a buyer and seller, all day from morning until night," Mr Malanin explained in perfect English in an interview with the FT. "We have two teams of dealers so we start trading at 7am Moscow time and continue until 11pm." That allows the bank to be active during the Hong Kong afternoon, throughout the London day and up until the New York close. Continued on Page 22

Mr Malinin is coy about just how much things have changed under Mr Mikhail Gorbachev, the Soviet leader. He has been coming to London for 20 years. Angling, only half-jokingly, for a free subscription to the FT, be says that he hes been an avid But back to Mr Gorbachev and perestroika. Everything is changing in the world. Time is not standing still," Mr Malinin comments with a smile.

Mr Tomokhine is clearly pleased that some of the Bank's foreign currency earn-Continued on Page 22

Price Waterhouse signals need to raise outside equity capital

international accountancy firm, will need to raise outside equity capital if it is compete with other financial services businesses, according to Mr Joseph Connor, its new chair-

man.

While such an equity issue may be a long way off, the statement was the first clear indication from a major accountancy firm that it intended to raise outside

Mr Connor, who yesterday took over as chairman of Price Waterhouse World Firm, said in an interview that the financial structure of accountancy firms was out of date. "We

PRICE Waterhouse, the frankly have the same needs auditing for most of their earnvices organisation."
According to Mr Connor,

part of the problem is that because they are partnerships, accountancy firms find it difficult to retain capital. Who would choose to develop a \$2.2bn business in which you have to distribute all the profits? You cannot build a firm without the ability to retain capital, not in the way we need

it today."

At present, auditing firms in most major economies are not permitted to have shareholders who are not also auditors. This restricts accountancy firms, since they etill depend on

ings, although other services like management consultancy have recently grown faster.

Accountancy firms are unlikely to be permitted legally to float themselves publicly for many years.

Under the European Community's eighth company law directive, they can sell up to 49 per cent of their shares to outsiders, provided they retain control. This is expected to be enacted in the UK by 1990, although rules drawn up by professional bodies may restrict the level of shareholding to 25 per cent. There have

Continued on Page 22

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Lebanon pins hopes for future on a US-Syrian understanding



World Trade

The efforts of Richard-Murphy, US special envoy, may determine whether Syria and the US can achieve a conensus and prevent Lebanon from plunging into tresh crisis and division. Page 5

Cyprus Turkish Cyprict leader praises Vassi-

Canada: Mulroney goes native and the north's inhabitants benefit Zambles The life-and-death struggle to revive a state-run beer industry ...

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WATFORD

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of net retail space which has now commenced building.



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in respect of a commitment of £100,000,000

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MARKETS

Aluminium E per tonne

\$1.6795 (1.679) .: London: \$1.68 (1.675) DM3.15 (3.1475) FFr10.705 (10.7025) SFr2.665 (2.6625) DOLLAR New York his DM1.8755-(1.87625) SFr1.5825 (1.6815).

STERLING

New York h

DM 1.8745 (1.879) FFr6.3745 (6.39) SFr1.58 (1.5835) Y133.6 (134.6) GOLD Now York lu

STOCK HEDICES New York hancht Dow Jones Ind. Av. 2,101.0 (+0.36) S&P Comp 269.25 (-0.08) FT-52 100 1,769.5 (+4.2)

World: 124,37 (Wed) Tokyo Nikkel Ave Tokyo closed 1,539.4 (+4.2)

Srent 15-day (Argus) \$13.82 (-0.385) (Oct) West Tex Crude

INTEREST RATES Federal Funds 84% yield: 7.39% (7.36) Long Bond: 101 13 Long Bond: 101 (10143) yield: 8.98% (8.97)

ing and brutal facts on the

of social amenities in the

times the size of France, he has

been hammering away at the

need to get the entire popula-tion involved in his reforms.

to be. If applied to central gov-

ernment ministries alone.

His figures for the extent of

SOME 700,000 jobs in Soviet Ministries are to be axed as more than one in four bureau-crats out of an estimated 2.5m. As for management jobs, he said that there were up to 18m in the country as a whole, compared with a workforce of around 125m. Some 2.5m worked in government department the present the country in individual. part of the country's sweeping economic reforms, and management numbers drastically reduced, Mr Mikhail Gorbachev, the Soviet leader, has told workers in Siberia. enterprises. At some industrial enterprises, collective and state farms, almost half the

told workers in Siberia.

At the same time he rejected calls for outright purges of the Communist Party and government leadership, warning against any repetition of the Cultural Revolution in China, or the bloody purges carried out by Josef Stalin in the Soviet Union in the 1930s.

The Soviet leader, who is on the fourth day of a tour through the industrial cities of managerial positions were being abolished, he said. Mr Gorbachev, looking much grimmer and even rather tired, in spite of a summer holiday. and in contrast to his normal ebullient self, told workers in Norilsk, a desolate town inside the Arctic Circle, to hold new through the industrial cities of Siberia, where workers live in some of the toughest co tions if they were unhappy tions in the country, both cli-matic and economic, has been with their leaders

conducting an extraordinary public debate on his entire reform programme as he goes. Faced with blunt question-Communist party secretaries in primary - lower level -organisations in the region had already been voted out of office in elections since the party conference in June. Some 60 per cent of shopfloor and party groups had been replaced. hard living conditions and lack region of Krasnoyarsk, four On the other hand, he flathy rejected more drastic measures. Mr Gorbachev said he had received a letter urging him "to give the order to open future job cuts in government give an indication of just how radical he intends his reforms

He said some 40 per cent of

fire at headquarters. "We are pursuing the restructuring, and we are responsible for preventing the country splitting into camps, for preventing the people from

in search for common ground

continue today.

head on clashes," he said.
"We all know about the 'firing at headquarters' in China. And then it took the people 15 years to try to understand what they had done — so let us not repeat that experience." For the second time on his trip he referred to the brutal methods of Stalin. "You cannot apply the methods of 1937," a reference to the year in which show trials, executions and banishment of thousands of leading party workers, intellec-tuals and others reached their

Yesterday Mr Gorbachev made a symbolic pilgrimage to the Siberian village of Shush-enskoye, where Lenin spent three years in exile at the end of the last century, refining his ideas on the shape of a future revolution and Communist Party. Lenin now remains the only Soviet leader to whom Mr Gorbachev can safely refer to

Compulsory central govern-ment purchases of the great bulk of Soviet industrial out-put are to be drastically cut back next year, to allow more

That is the promise given by Mr Nikolai Maslennikov, deputy chairman of the Council of Ministers in the Russian Federation, and chairman of the planning committee in the Soviet Union's most important

Polish Minister meets Walesa

By Christopher Bobinksi in Warsaw

MR LECH WALESA, the leader Ministry in southern Warsaw, of the banned Solidarity movement, yesterday conferred for over four hours with General Czeslaw Kiszczak, Poland's Interior Minister, in an attempt to find common ground for round-table talks the authorities have said they want to hold on the country's future. Mr Walesa left the meeting,

villa owned by the Interior

machowski, a Solidarity adviser, as well as Mr Stanis-law Ciosek, a member of the smiling and making the Solidarity V-for-victory gesture through the window of his car.

Both sides issued a joint PAP news agency said both sides wanted full-scale negotia-tions on Poland's future to communique after the meeting which said the talks would start as soon as possible.

Yesterday's talks were attended by Father Alojzy Orszulik from the Catholic Church, and Mr Andrzej Stelto legalise Solidarity as a trade

NOTICE TO ORDINARY SHAREHOLDERS

Pilgrim House Group plc

SPECIAL RECEIVING ARRANGEMENTS

The 'bargain' Ford got by going to Spain

By Tom Burns in Madrid

"EVERY TIME we read about Ford planning a new plant in Britain, we burst out laughing." says Mr Felix-Pablo Tamayo. "When you get the bargains Spain offers, why go

anywhere else?"
Mr Tamayo, who is a communist and the leader of the Comisiones Obreras (Workers' Commissions) trade union branch at Ford's plant at Almusafes, Valencia, is bitter-sweet about the the US car manufacturer's Spanish bar-gain. "Its great to have jobs but from a trade union point of view we have not got much to

Ford, by Mr Tamayo's count, is employing nearly 2,000 fewer people now at Almusafes than when the plant opened in the mid 1970s and more cars are being produced than ever. Ford makes more money at Almusafes than any other private company in Spain and yet its wage increase of 5 per cent this year was, Mr Tamayo says, 1.5 per cent less than the average salary settle ments in Spain.

There has not been what Mr
Tamayo calls a "serious" strike

at Almnsafes in nearly a decade though he personally reckons that there has been reason enough for action over the period. Production has been raised from 636 units per shift in January to 700 units this month with scarcely a reward and decidely no mur-

The problem is that Ford recruited people off the land and turned them into skilled workers. We have no militant tradition in this part of the world, no trade union culture like in Britain," he says. Dur-ing the Ford strike in England earlier this year, the 8,200 Almusafes labour force earned tidy sums in overtime as pro-duction was shifted to the Spanish plant. "No wonder the bosses in Detroit love Spain," says Mr Tamayo. nent views on

Spain might be different were Mr Tamayo to call the shots at Almusafes. The point is that it is the rival, socialist-party imked trade union, the Union General de Trabajadores (UGT), which is firmly in con-

trol at the plant.
In practice Ford has at Almusafes — thanks to the Almusates — thanks to the UGT — both the union moderation and the single union that it found wanting when it tried to set up a new plant at Dundee, in Scotland.

British inter-union opposition to Ford's single-union deal with the UK's AEU engineering union for the proposed.

ing union for the proposed Dundee plant, and concern by the Ford unions other than the AEU that the plant's wage rates would undermine the unions' national agreement on pay with Ford led to Ford abandoning the plant and siting it in Spain.

Mr Vicente Asensio, the chief UGT organiser at Almusafes and the head of the socialist union's metalworkers for the whole of the Valencia region, concedes that if Ford comes to Spain it is "because we are as serious a union as (West Germany's) LG. Metal but we are a lot less expensive as a workforce."

as a workforce."

Two years ago Mr Asensio's UGT won 19 seats on the 37-member works committee of Almusafes against 12 held by Mr Tamayo and the Workers Commissions and six which were won by the anarchist-based Confederacion General de Trabajo (CNT).

With its outright majority on what is called the Comite de Empresa, UGT was able to negotiate on its own with the

as a workforce."

negotiate on its own with the management what were legally binding agreements for all. The UGT majority at Almu-safes is exceptional among big

Spanish companies where the union structure can be almost union structure can be almost as fractured as in England. There is a likelihood, however, that it will be renewed when works elections are held again in 1991 for Mr Asensio claims at 3,500 paid-up membership at the plant and Mr Tamayo says his support howers around the 2000 mark.

Mr Asensio negotiated with the Almusafes management a three-year wage agreement in 1987 (the time span is again exceptional, one-yeer pacts tend to be the norm) and he would like to establish a similar deal next year when the present one expires.

"I wouldn't say Ford is get-ting a bargain out of us," says Mr Asensio. "We stand a good chance of attracting the Pta 175bn (£840m)-worth of invest-ment that should have gone to Scotland so who is getting short-changed?"

Thatcher fails to back Maltese bid to join EC By Robert Mauthner, Diplomatic Correspondent

MRS MARGARET Thatcher, the British Prime Minister, yes-terday expressed support for an expansion of links between Malta and the European Community, but significantly stopped short of endorsing any future application for full membership by Valletta.

During talks in London yes-

terday between Mrs Thatcher and Dr Edward Fenech Adami, her Maltese opposite number, the British Prime Minister made it clear that Britain considered that the existing asso-

ciation agreement between Malta and the Community pro-vided the best framework for the development of relations. British officials stressed that London had made it clear to all potential applicants for full membership, including Malta, that the Community needed time to digest its recent enlargement with Spain and Portugal and could not, therefore, contemplate the entry of

new members for the moment.

British position does not appear to have deterred the Maltese. In an address to the Royal Institute of International Affairs at Chatham House last night, Dr Fenech Adami said that Malta was "determined" to seek full membership of the Community.

A statement issued by Downing Street after the talks between the two leaders, which said that Mrs Thatcher Tooked forward to an expansion of links between Malia and the European Community", was ambiguous enough to permit Maltese officials to express satisfaction at the support given by the Prime Minister to Dr Fenech Adam's position. The statement does not, however, alter Britain's basic policy. Among the most positive

results of the meeting was an undertaking by Mrs Thatcher that British assistance "in the political and security field"

Delors condemns attacks on tax harmony plans

By William Dawkins in Brussels

MR JACQUES DELORS, ish trade barriers by 1992.

President of the European "Let us avoid this hypocrisy President of the European Commission, yesterday con-demned as hypocritical the attacks made by Britain and France against Brussels' plan to bring indirect tax rates

closer in line.
In a speech to the presidents of 14 leading European companies meeting in Brussels, Mr Delors singled out the controversy over the Commission's VAT harmonisation plan as one of the biggest snags in the way of the EC's drive to abol-

"Let us avoid this hypocrisy which uses big words to conceal excessive fears of losing national sovereignty," he said. Mr Delors insisted at the same time that "progress towards 1992 is irreversible."

This latest skirmish in the war of words over the scheme between Brussels, Paris and London is timed shortly before EC Finance Ministers are due to discuss VAT harmonisation

European multinationals aim to lift managers' role

By William Dawkins in Brussels

tion aimed at boosting the role of managers in improving qual-

They called on EC bodies and national governments to support their efforts by improving infrastructure, notably Europe's fragmented telecommunications networks, and asked educational institutions to provide more quality management courses:

The campaign is to be co-ordinated by a European Foundation for Quality Management,
established yesterday and to be

based at the Dutch headquarters of Philips, the electronics "It is a sorry fact of Euro-pean business life that the importance of quality means more to business than to those institutions which experience

less pressure from consumer judgement," said Mr Cor van der Klugt, president of Philips. "Several European Govern-ments do already support the quality movement. But com-

The presidents of 14 top
European multinationals yesterday launched a joint foundation aimed at boosting the role

pared with other regions of the
world, that support must be
intensified." he added.
The foundation aims to pro-

mote quality management in its broadest sense, embracing a whole range of disciplines from design to personnel, as an important competitive tool at a time when high-wage Euro-pean companies are having to contend more than ever with lower cost counterparts. Initially, the foundation aim

to stage seminars, publish papers and build a data base on quality management. within the next few years, it aims to organise exchanges of experience between its members and establish a European

Apart from Philips, its mem-bers include Robert Bosch and Volkswagen of West Germany; Bull, Avions Marcel Dassault-Breguet Aviation and Renault of France; Ciba-Geigy, Sulzer and Nestle of Switzerland; Electrolux of Sweden; Italy's Fiat and Olivetti; British Telecom; and KLM of Holland. Editorial comment; page 20.

Secret vote challenged in Italy

By John Wyles in Rome

ITALY'S five-party coalition government headed by Mr Cir-iaco De Mita is facing the stif-fest political test of its five months in office as it attempts to ensure passage of the 1989 budget by eliminating legisla-tors right to a secret vote.

With the budget proposals due to be adopted by the Cabinet by the end of next week, the Government is determined to strike down the secret ballot as early as possible in October.
Mr Giuliano Amato, the Treasury Minister, still winces at
the memory of how his 1988 budget was massively distorted and the Goria Government defeated on numerons occa-sions by the freedom to vote

monymously. The Socialist Party in particular regards reform as an essential precondition for sec-uring parliamentary approval for measures aiming at reforming public finances by 1992. For the moment all of the opposition parties are hostile to the move, calling it an attempt to strengthen the con-trols of party leaders over their backbenchers.

FINANCIAL TIMES

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Opan Offer to ordinary snaveholders in connection with the proposed addustion of Kidda Fire Protection Group.

On 1st September, 1988 a circular was sent to shareholders containing details of the proposed acquisition of Kidde Fire Protection Group and the Open Offer. The circular, which comprised listing particulars relating to Pilgrim House Group plc, also contained notice of an Extraordinary General Meeting to be held at 10.00 a.m. on Monday, 26th September, 1988 at Pilgrim House, High

Street, Billericay, Essex to approve the acquisition. In connection with the acquisition, Morgan Grenfell & Co. Limited is making a conditional Open Offer to ordinary shareholders of 24,896,180 new ordinary shares of 25p each, at 171p per share, on the basis of one new ordinary share for every five existing ordinary shares held at the close of business on 24th August, 1988.

Application forms (which are personal to shareholders of Pilgrim House Group plc) together with the appropriate

remittance in respect of the Open Offer must be received at Morgan Grenfell & Co. Limited, New Issue Department, 72 London Wall, London EC2M 5NL by no later than 3.00 p.m. on Thursday, 22nd September, 1988. Completed proxy cards in respect of the resolutions to be proposed at the Extraordinary General Meeting must be lodged with the Company's Registrars by no later than 10.00 a.m., on Saturday, 24th September, 1988.

Shareholders who, because of the postal strike, are unable to ensure the arrival of their completed application forms at the above address may instead lodge them together with the appropriate remittances at any of the following branches of National Westminster Bank PLC, by no later than 12.00 noon on Tuesday, 20th September,

BIRMINGHAM CITY OFFICE EXETER LIVERPOOL CITY CENTRE NORWICH CITY OFFICE Colmore Centre 59 High Street 22 Castle Street 45 London Street 103 Colmore Row IPSWICH OXFORD LONDON EC2 BRISTOL CITY OFFICE 2 Tavern Street 15 Bishopsgate 121 High Street 32 Corn Street GLASGOW LONDON W1 PLYMOUTH BRIGHTON 14 Blythswood Square 14 Old Town Street 208 Piccadaly 137 North Street **GLOUCESTER** MANCHESTER CITY OFFICE SOUTHAMPTON CARDIFF 129 High Street

55 King Street

24 Mosley Street

NEWCASTLE UPON TYNE

3 Westgate Street

8 Park Row

LEEDS CITY OFFICE

Shareholders who have not received a circular or application form may inspect copies at any of the branches shown. Such shareholders may apply under the Open Offer by executing a power of attorney (in the form available from these branches) authorising a director of Morgan Grenfell & Co. Limited to complete an application form on their behalf. Such power of attorney should be deposited at any of the relevant branches, together with the appropriate remittance for the number of shares for which application is made by no later than 12.00 noon on Tuesday, 20th September, 1988. Proxy cards may also be obtained from arry of these branches for completion by shareholders and deposited there by the same time or lodged at the office of Morgan Grenfell & Co. Limited already detailed by no later than 3.00 p.m. on Thursday, 22nd September, 1988. Ordinary shareholders may apply for any whole

96 Queen Street

80 George Street

EDIMPURGH

number of new ordinary shares at 171p per share up to their maximum entitlement of one new ordinary share for every five ordinary shares held at the close of business on 24th August, 1988.

14 Coney Street

Shareholders who are in any doubt as to their entitlement or who are unable to reach any of the bank branches detailed herein should ring Mr. D.C. Williams at Morgan Grenfell & Co. Limited, New Issue Department on 01 588 4545 Ext, 2295.

Application forms, proxy cards and remittances are lodged at shareholders' own risk.

This advertisement has been issued by Pilgrim House Group plc and has been approved by Morgan Grenfell & Co. Limited, a member of The Securities Association. Morgan Grenfell & Co. Limited has underwritten the Open Offer.

5 ABATTOIRS

Queensland, AUSTRALIA

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Offers for all 5, individual or groups will be accepted. TENDERS CLOSE: 3pm (Sydney time) Wednesday, 19th October, 1988 For further information, inspection, colour brochure and tender documents contact; Andrew Nock 61.2.261.5533

> EDWARD RUSHTON AUCTIONS PTY, LTD. 184 Day Street, Sydney, NSW 2000 AUSTRALIA Tel: 61.2.261 5533 Fax: 61.2.267 5096 felex: 126648AA BRISBANE: Tel: 61.7.229 1511 Fax: 61.7.229 2409

> > Notice to the Bondholders of

OKI ELECTRIC INDUSTRY COMPANY LIMITED

US\$70,000,000 31/2 percent. Convertible Bonds Due 1999 Pursuant to the Terms and Conditions of the above-mentioned Bonds, we hereby

1. The Board of Directors authorized on 23rd August, 1988 to effect a free distribution of shares at the rate of five (5) new shares of each one hundred (100) shares held as of 3:00p.m. on 30th September, 1988 Tokyo Time (the record date).

2. Accordingly, the conversion Price of the above mentioned Bonds will be adjusted pursuant to Condition 6 (c)(i) of Terms and Conditions of the Bonds effective as from the 1st October, 1988 Tokyo Time.

> Conversion Price before adjustment: Yen 805.60 Conversion Price after adjustment: Yen 766.70

OKI ELECTRIC INDUSTRY COMPANY LIMITED 16th September, 1988

7-12, Toranomon I-chome, Minato-ku, Tokyo, Japan

SWEDEN is facing the prospect of serious political instability

after Sunday's general election,

according to the final prediction which will be released today by Sifo, the national poll

power in the new Parliament. The ruling Social Democrats

look set for a drop in their vote from 44.7 per cent three years

needs to win seats, with 4.2 per

Since 1985 the Social Demo-

crats have usually been able to rely on the stable Communists

to have a working majority because their combined vote was more than 50 per cent.

Now they may have to look to the Greens for the extra sup-

port they require to govern.

However, the untested and ill-disciplined Greens could try

By William Dullforce in Geneva

LESS THAN 20 per cent of the

world's 1.8bn city dwellers breathe air that is sufficiently free of smoke and dust not to

Pollution of European rivers is no longer a health hazard, thanks largely to the chlorination of public water supplies, but faecal contamination of

water resources still kills many

children in developing coun-

These are two of the findings

in joint reports on air, water

and food pollntion from the World Health Organisation and

danger health.

City dwellers ravaged by 'unsafe'

levels of smoke and dust pollution

ago to only 42.0 per cent

By David Marsh in Bonn

MR GERHARD Stoltenberg, Bonn Finance Minister, is likely to tell the Franco-German Finance Council meeting in Frankfurt today the West German economy will grow by between 2 and 3 per cent next year, revising upwards the Ministry's previous forecasts.

Although the Finance Ministry is still some way from com-ing up with a firm detailed forecast for 1989, it is optimistic that real growth in Gross National Product will be above the 2 per cent projected in the 1989 budget forecasts debated by parliament last week.

The better outlook for 1989, together with a confident assessment that economic growth in 1988 will be at least 3 per cent, will be put forward by Mr Stoltenberg to Mr Pierre Beregovoy, the French Finance Minister, as a sign that Bonn is playing an adequate role in supporting the world economy.

At today's meeting, grouping ministers and senior officials from the two countries, France is likely to express worry about the growing West German trade surplus against other

Etiropean countries. French officials, who point to the need for Europe to com-pensate for a probable eco-nomic slowdown in the US in 1989, are less confident than the Germans about the growth outlook for next year.

Bundesbank, the West German central bank which has been tightening its monetary policy over the summer, against over reacting to an anticipated increase in the German inflation rate to more than 2 per

government, making it hard for Prime Minister Inguar Carlsson to ensure a strong

Sifo is usually fairly accurate in its overall predictions, although it failed to predict the fall of the Social Democrats in the 1976 general election.

This suggests the Greens will secure 7.1 per cent of the vote and hold the balance of The non-Socialist parties in the so-called hourgeois block are not expected to poll more than 44.6 per cent between them – well short of the 50 per cent they would need to try to form a coalition. The tiny Communist party seems likely to just scrape over the 4 per cent vote hurdle it

The Moderates are down from 21.3 per cent to 18.2 per cent this time, while the Liberals are predicted to register little change from 1985, up only .6 to 14.8 per cent. The Centre party is expected to see its vote fall from 12.4 per cent to 11.6

The Sifo figures are based on a nationwide sample of 1,094 people taken during the past few days. The established parties are expected to concen-trate their fire on the Greens to exact a high price for back-ing a new Social Democratic during the last 48 hours before

ment Programme. Five air pol-luants were monitored in the major cities of 50 countries.

About 1.25bn people are esti-

the polls open on Sunday. But it looks as though Sweden is likely to have its first new party in parliament for more than 70 years with unforeseen consequences for its economy and for its reputation of political stability.

•Sweden's annual rate of inflation fell for the second month running to 6 per cent in August, according to figures released yesterday by the Central Office of Statistics (SCB), although economists warned that the underlying trend is upwards and that inflation can be expected to be around 7 per cent by the end of the year, Sara Webb reports from Stock-

The inflation rate has fallen from 7.1 per cent in June to 6.4 per cent in July, chiefly because of the distorting effect of the Government's price freeze which was imposed in the first half of 1987. The gradual relaxation of the freeze in mid-1987 was followed by a

and August last year. Swiss growth forecast to slow

SWITZERLAND'S economic growth this year should be about the same in real terms as last year, and is likely to slow down in 1989 and 1990, according to Swiss forecasters, reports John Wicks in Zurich.

mated to live in air with levels of smoke and dust regarded as unacceptable by WHO stan-The Government's working party for economic studies oresees overall expansion in Some 625m people, mostly in developing countries, are exposed to unacceptable levels the coming months, linking this to higher exports and domestic consumption. For 1988, the employers' association, Vorort, says economic growth should exceed 2 per cent. Credit Suisse and Laurent Vicina and Consumptions. of sulphur dioxide and another 550m live in marginal condi-Nitrogen dioxide emissions have increased over the past five years in industrialised sanne University's "crea" forecasting unit expect a rise in GDP of some 3 per cent

European MPs call for Iraqi arms ban

By William Dawkins in Brussels

should ban all shipments of weapons to Iraq, and substances and equipment which could be used to make chemical weapons, the European Parliament demanded yester-

Its proposed arms ban, supported by all of the assembly's ported by all of the assemily's political groups except for the extremist European right, marks the latest step in the increasing international condemnation of the Baghdad cal weapons against Kurdish rebels in northern Iraq.

"This has led to the death of thousands of innocent civilians and verges on genocide," said the statement from European Members of Parliament, It was endorsed by a 76-3 majority. Several Western countries

have asked Mr Perez de Cuellar, the UN Secretary-General to launch an inquiry, but both Iraq and neighbouring Turkey have said they are unwilling to admit UN officials.

 The European Parliament yesterday voted to resume contacts with Turkish legislators, suspended eight years ago after the military coup in the Mediterranean country.

The decision opens a poten-tially valuable link with the European Community for Ankara, which has surprisingly few official links with the EC for a country which lodged a formal application for membership little more than a year

ago.

A large majority of Euro-MPs yesterday agreed that in the light of last November's elections in Turkey, they should reconvene their own EC-Turkey Joint Parliamen-tary Committee.

Cypriot leaders meet in first direct peace talks

By Andriana Jerodiaconou in Nicosia

THE FIRST DIRECT peace talks on the Cyprus problem in six years between the Greekand Turkish-Cypriots began in Nicosia under UN auspices yes

terday.

During a largely ceremonial Mr Rauf Denktash, called for first session, symbolically held—a land of two peoples who on the military Green Line-bisecting Nicosia into Greek and Turkish sectors, the lead-ers of the two Cypriot comminities pledged to suspend mis-

UN officials described the

Speaking for the Greek-Cypriots, President George Vassi-liou spoke of "a new Cyprus where all its inhabitants will live and work in peace."

have differences of religion, language, national identity and culture but have one and the same loyalty to Cyprus which gave birth to them and has

of the Cypriot state. Negotiations will mainly be conducted personally by Mr Vassiliou and Mr Denktash, in the sole presence of the UN special representative,
It is expected that the two
leaders will also have opportunities to speak tête-à-tête. In
one reported aside yesterday,
Mr Vassiliou was heard inviting Mr Denktash to telephone
him whenever he wished.
The two leaders have accessed

The two leaders have agreed on a June 1989 target date for cherished them for centuries." The aim of the present nego-tiations is to restore the unity

Denktash praises 'pragmatism' of Greek-Cypriot leader

MR RAUF DENKTASH, the Turkish-Cypriot leader, has spoken warmly of Mr George Vassilion, the Greek-Cypriot president with whom he has started talks on the island's future. Mr Denktash, who gave an interview with the Finan-

9307

nged

an interview with the Financial Times earlier this week, also reaffirmed his willingness to show flexibility over some Greek-Cypriot aspirations.

On Mr Vassiliou, whom he met in Geneva last month, Mr Denktash said: "I would say that we had a far better chance of solving the problem with Vassiliou than we have had with any other Greek-Cypriot leader." The Turkish-Cypriot leader described him as "an intelligent, pragmatic man intelligent, pragmatic man with his feet on the ground — a nice man to talk to." He said Mr Vassiliou was in

a strong domestic position, but there were "extremists" in southern Cyprus who had arms caches and still talked about continuing the struggle.

On the Turkish troops in northern Cyprus, he said they could be withdrawn according to a timetable after the establishment of a transitional national (that is, Greek- and-Turkish-Cypriot) government. But an agreed number of

should remain, partly to curb "hotheads" who might other-wise seek revenge for the past, he added. "Only the Turkish presence keeps our heads cool, our tempers down, and our stance in a negotiating mood," Mr Denktash said.

Mr Vassiliou, while suggest-ing that withdrawal in stages would be acceptable, still says the pullout must be complete before the formation of any transitional administration. He also prefers that any federal arrangement to be definitive rather than transitional.

 On guarantees for a settle-ment, Mr Denktash described as sufficient the arrangements in the 1960 agreement which led to Cypriot independence: these name Greece, Turkey and Britain as guarantors. The Turkish-Cypriot leader did not want guarantees from the UN; or from the US, on grounds that this might in turn lead to

Soviet involvement. Mr Vassiliou rejects the idea of a Turkish guarantee. How-ever, the Greek-Cypriot com-munist party, which helped bring him to power, now says it would accept Turkey as guarantor, alongside Greece, provided Ankara did not retrain the right to intervene

umilaterally. Turkey cited this right during its 1974 invasion.

On the "three freedoms" (freedom of movement, settle-(freedom of movement, settle-ment and property throughout a federal Cyprus) which are a key Greek-Cypriot demand, Mr Denktash indicated qualified acceptance in principle of the first two, but reaffirmed his position that the issue of Greek properties seized during the 1974 Turkish invasion should be handled by compensation be handled by compensation

> On freedom of movemen Mr Denktash qualified his acceptance by saying that "terrorists like Nikos Sampson" could not be allowed to roam freely through the Turkish-Cypriot zone of a federal Cypriot zone of a federal Cyprus. Sampson was briefly installed as Cypriot leader during the July 1974 attempt by the junta then ruling Athens to overthrow Archbishop Makarios: it was this coup that triggered the invasion by Turkish troops, who overran the island's north the following month.

rather than any return to for-

On the right of settlement he cited as a possible model the restrictions on residence which Swiss cantons are enti-tled to impose on one another.

Lisbon suspends maximum lending rate

LIBERALISATION of Portugal's credit system moved a step closer yesterday when Mr Mignel Cadilhe, the Minister of Finance, announced the

suspension of the officially set maximum lending rate.

The top rate allowed has been 17 per cent. From now or. said Mr Cadilhe, it will be freely determined by market forces, and this will in time allow the Bank of Portugal to introduce flexible monetary instruments

instruments. Hoping to keep down inflation and the cost of servicing a huge public debt which equals 80 per cent of GDP, the Govern-ment has held tight ceilings on credit while drawing freely, at low interest rates of its

choosing, on nationalised banks rather than capital or money markets for its financ-

This prompted recent recommendations from the IMF and World Bank to allow greater play for market forces. flationary weapon have not

Mr Cadilhe revealed vesterday that year-on-year inflation reached 10 per cent in August. This was a monthly rise of 0.9 per cent and and brought infla-tion above the December 1987

figure of 9.4 per cent.

The August figure made a nonsense of Mr Cadilhe's confidently-repeated 1968 target of 5.5 to 6.5 per cent.

SOCIÉTÉ GÉNÉRALE

IMPORTANT NOTICE **TO UK SHAREHOLDERS**

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special arrangements are being made for share-

6,300,000 6% Convertible bonds with

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for acceptance is 23 September 1988.

01-626 5622.

Shareholders are reminded that the last date

For further information or assistance please

contact Robin Spratt or James Dewhurst of

Société Générale Merchant Bank plc on

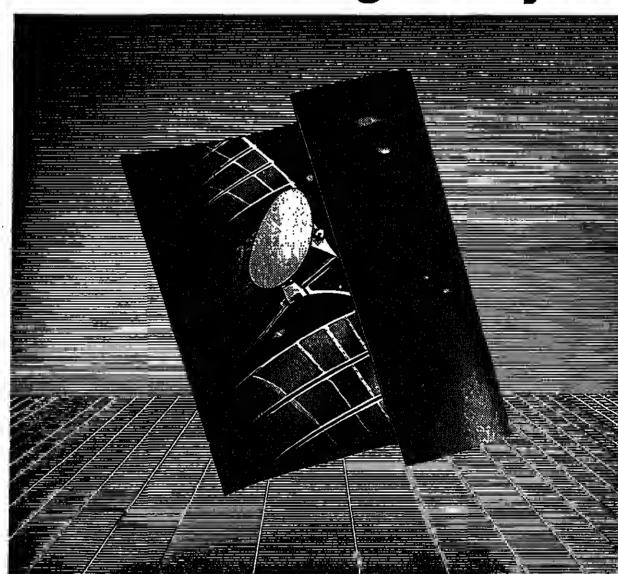
holders in connection with the recent issue:-

Having last week blamed imported inflation for missed lashed out at Portuguese businesses, announcing that com-panies who enjoyed vastly improved profits but failed to comply with price policies" would cease to receive financial incentives that, he said have helped them cut their

The : minister also said a number of tax incentives would be abolished in the with the another in the tightly-managed 1989 Budget. Next year's budget deficit, fuelled by the servicing of the public debt, would be about 7.5 per cent of GDP compared with about 9.5 per cent of GDP in

Project Finance and the Deutsche Bank Group. Resources that get the job done.

tions, the report said.



Assessing a project and creating a suitable financial structure is a multifacetted challenge. It demands an expert evaluation of the project's economic ment. It calls for the careful examination of technical aspects, which could potentially impact via cost overruns and completion delays. It means thoroughly assessing market conditions, political considerations and legal and tax aspects. Finally, it demands a bank that can offer a full spectrum of commercial lending or capital market financing alternatives.

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This notice is issued by Société Générale Merchant Bank plc a member of The Securities Association, on behalf of Société Générale.

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Jamaica devastated as Hurricane Gilbert's wrath is revealed

By Canute Jamaa in Kingaton, David Gardner in Mexico and Andrew Marshall in London

damage wronght hy Hurricane Gilbert began to be revealed yesterday, as aid agencies and Western governments pledged cash fur fnod, shelter and reconstruction.

The worst of the destruction

was in Jamaica, which has been devastated. The island will need ahnnt \$7.25bn to repair the damage caused hy the storm, according to Mr Edward Sesga, the island's Prime Minister.

A half a million people have been left homeless. Four out of every five houses on the island were affected by the 140-mph

REINSURERS worldwide are

watching Gilhert's progress anxiously. For, if it hits Texas

and Louisiana, as expected, the overall insurance claims will

be ecormous. Guessimates start at \$2hn with apparently

The London insurance mar-

ket Lloyd's insures a lot of husiness in Texas and Louis-iana, both directly and through

If oil platforms along the US

and Mexican coasts are hit by

Gilbert, London underwriters

would face huge claims. Underwriters remember the cost of hurricane Alicia in 1983 and

hurricane Fredrick four years

destroyed and another 400,000 damaged.

The island's banana indus-

try has been wiped out, the sugar industry extensively damaged and meat will he scarce nver the next six mnnths. Electricity and telephnne services have not yet been restored, and water supplies are uncertain over most of the island.

Local radio reports put the nnnfficial death tnll in

The army and the police are maintaining the dusk-to-dawn curfew imposed three days ago

The official estimate of the

damage hy Alicia, as assessed hy the Insurance Information Institute is \$675m. However,

claims by insurers on their reinsurers are still being settled and the cost of this hurricane was put at \$1.2hn. Fredrick, which struck the East

coast from Mississippi to New York State, cost around \$750m.

Hurricane Gilbert is consid-

The impact on the insurance

companies and other direct insurers operating in this part of the US will not he too

severe. They all carry high levels of catastrophe cover with

ered far more deadly than Ali-

Reinsurers worldwide hold their breath

Kingston, the capital, and in neighbouring Spanish Town.

In Mexico Gilbert battered the provincial capital of Merida and the gulf port cities of Puerto Progress. Campeche and Cindad del Carmen, closing airports and roads, knocking unt communications and power, and inundating streets and highways.

Officials reported at least nine injuries, but there were no reports of deaths.

Pemex, the state oil monor oly announced that all 146 offshore platforms in campeche sound, in the south of the Gulf

that will have to meet the bulk

For this reason, the London stockmarket was relaxed over the possible impact of the hur-ricane on the three major UK

composites operating in the US

- Royal Insurance, General Accident and Commercial Union. The impact of the hurricane in the UK and Europe last October, with an estimated damage of 23bn, is likely to

have been far more costly to these companies, because they

had much lower reinsurance

protection, than the expected cost of Gilbert.

Older underwriters in non - marine syndicates at Lloyd's

of the costs.

down. These fields account for 1.7m h/d, or 69 per cent of total Mexican crude output.

The peninsula's eastern coast is famed for its beach-side resorts, including Cancun and the Island of Cozumel. Several seaside hotels on Coznicel. Several seaside hotels on Coznicel suffered damage as did hundreds of homes, the offi-cials said.

A navy spokesman in Mexico City said he had no word on the plight of an esti-mated 15,000 people who had been stranded on Isla Mujeres near Cancun. Three ferries linking the island with the

6,000 tourists left beachside motels and 30,000 local peopla also sought temporary shelter in Cancun, while broken win-dows in commercial areas drew bands of locters. In the Yucatan state capital of Merida, the winds destroyed nearly all the thatched ho

Civil defence officials said

Haiti, meanwhile, declared a

in one district, uprooted trees and cut off water supplies,

storm, hut there were nn reports of casualties.

Civil defence officials said cane-related deaths have been

reported. Cuba was spared the full fury when Gilbert hit the island on Tuesday, the national news agency AIN reported, but about 245,000 people remained evacuated from low-lying areas.

Gilbert had earlier left at least seven dead in Venezuelland the Dominican Republic.

said Gonzalez Correz, news editor of the newspaper Nove-An international airlift of relief supplies to Jamaica has began, with aircraft from the US ferrying tents, beds, water containers, food, medicines

and telecommunications equipment. Island authorities are hoping to re-open Kingston and Montego airports by tomorrow to ferry stricken holidaymakers out and emergency relief supplies in.

The Legue of the Red Cross appealed yesterday for 5.8m Swiss francs (\$3.7m) to feed 500,000 Jamaican victims over

Swiss trance (\$3.7m) to reed to 500,000 Jamaican victims over an initial period of two months, and Britain yesterday announced \$550,000 worth of aid for Jamaica.

The country's general election, which was to have been held in December, is now always contrain to be next.

almost certain to he post-



of London remember the Cardenas calls for rival force to drive out PRI

cia or Fredrick.

By David Gardner in Mexico City

MR CUAUHTEMOC Cardenas, the leader of Mexico's hroad left coalition which is disputing the legitimacy of the presi-dential election results in July, has called on president-elect Carlos Salinas de Gortari to resign and clear the way for

But the call was more a formal statement of repudiation than a real demand, and was overshadowed by Mr Carden-as's appeal to his followers to forge a rival force to the longruling Institutional Revolution-ary Party (PRI) capable of driv-

ing it from power. The left-wing nationalist leader assured a rally of some 100,000 supporters in Mexico City's central Zocalo square on Wednesday night that they sation that would become "so powerful that it will clearly be senseless to oppose it, and (the regime) will have no alterna-

tive but new elections". Mr Cardenas's confident message, expressed in soher

Call for more world

policy co-ordination

Economics Correspondent

A CALL for leading industrial nations to huild on last year's

Louvre accord to create a more

permanent framework for

international economic policy

co-ordination was made yester-

day by an influential group.

The report, published under the auspices of the Group of

Thirty, welcomed the move away from the purely discre-

tionary approach to policy co-ordination represented by the

Seven nations, however, should now move towards a

more permanent "rule-hased"

system with exchange rates as

Rates for the major currencies would be fixed

Governments of the Group of

Louvre agreement.

its focal point.

By Philip Slephens,

hut ringing oratory to a crowd smaller than he had heen attracting before the confirmation last week of Mr Salinas as president-elect, stressed the need to build a cohesive and unified force out of the five parties and 20 regional groupings in his ramshackle

National Democratic Front.
This fragmented coalition, though it made historic gains for the opposition in July, could easily disintegrate with-out new, clearly defined goals. Until now the coalition has been held together by the fig-ure of Mr Cardenas, the son of revered 1930s President Lazaro Cardenas who from his starting point of dissidence within the ruling party has become a potent symbol of the desire among millions of Mexi-

cans for peaceful change. The FDN is now expected to hold a national congress in mid-October, and to begin a "long march" aimed at ousting the PRI, which will get under way in earnest with gubernato-

By Gary Mead in Buanos Aires

THE PERONIST candidate for

the Argentine presidency, Mr Carlos Menem, has accused the Radical Party government of preparing for a self-inflicted

in the wake of disturbances

in Buenos Aires last week, he

suggested that the Government

was considering such a possi-

hility as a means of avoiding

hility as a means of avoiding responsibility for the country's current economic problems.

Mr Menem, who did not attend the rally last Friday to mark the 12th general strike under the present government, also took to task local and foreign press, for what he alleged was biased reporting

hiased reporting

He hlamed the riot on what he called the "disastrous eco-

nomic situation", adding that

rial elections in the Gulf of Mexico state of Tahasco in mid-November.

Mr Cardenas' supporters in this etrategic oil-rich state have split the PRI so damagingly that many regime loyal ists believe the ruling party would lose a clean election there. Were this to happen it would be the first time the 71year old regime surrendered a state government.

But in the current climate of confrontation between the FDN and the regime, and hos-tility within the PRI towards the reformist group around Mr Salinas on the part of an old guard smarting from what it regards as unnecessarily lost ground to the opposition, few observers expect this and a elections to be clean contests.
Within the PRI itself vested

interests are battling to the point that rival factions have publicly accused each other of rigging internal elections in three states.

press coverage of the event

was designed to damage his chances of being elected presi-dent in May 1989.

Mr Antonio Caffero, Peronist

governor of the province of

Buenos Aires, who was nar-rowly beaten by Mr Menem for

tha party's nomination, has said he does not share Mr Menem's views on this matter.

A senior aide to President Alfonsin, Mr Carlos Becerra,

has strongly denied Mi

Menem's suggestions. He stated that Peronists are inca-

pable of governing Argentina A government investigation into the riot is under way. The

Minister of the Interior, Mr

Enrique Nosiglia, has exonerated Pernnists and trade

unions from hlame.

Removal of Reagan'was considered'

By Lionel Barber in WashIngton

PRESIDENT Ronald Reagan became so depressed, inept and inattentive in 1987 at the height of the Iran-Contra arms for hostages scandal that his top aides considered removing him from office, according to a newly-published book.

The book describes how a former White House aide sent a memorandum to the incom-

ing chief of staff Mr Howard Baker, raising the possibility of invoking the 25th amendment to remove the then 76-year-old president from office.

However, Mr Baker and two other aldes put Mr Reagan

under observation for a day and concluded he could perform his duties, according to Jane Mayer of the Wall Street the Los Angeles Times in the book Landslide, the Unmaking of the President, 1984-88. It was rumoured last year that Mr Reagan had suffered

depression after the initial dis-closure that he had authorised the transfer of arms to Iran The authors say a White House aide Mr James Cannon said that when he went to the White House: There was no order in the place. The staff system had broken down. It

had just evaporated."
Mr Cannon recounted that
staff said the President was lazy and not interested in the job. They said he would not come over to work - all he wanted to do was to watch movies and television at the

The Los Angeles Times reported yesterday that Mr Baker took the Cannon memo seriously, but be never enter-tained putting the amendment into effect.

The amendment provides for the Vice-President to assume the role of acting president should be and a majority of the Cabinet declare that "the President is unable to discharge the powers and duties of his office.

North benefits as wily Mulroney goes native

David Owen on Canadian land and energy deals

WO comments need to be made about the sign-ing last week by Camadian Prime Minister Brian Mul-roney of agreements on land claims and energy resources which will give the largely indigenous inhabitants of northern Canada more infinence over their own affairs. The first is that the deals mark a significant milestone

for the people of the Northwest Territories, that vast and inhospitable swathe of land which stretches from the Yukon in the west to Baffin Bay and the Labrador Sea in the east.
The second is that tha lengthy and colourful signing

ceremonies came at a hugely convenient time for Mr Mulroowner of a native drum, a buckskin jacket and a moose antler carving of a soaring With a general election fast

approaching in which every seat may count, Mr Mulroney and his ministers have been touring the country delivering speeches and largesse in a bid to keep Canada Conservative. In recent weeks, mixed financ-ing deals for two enormous energy projects of dubious via-bility have been stitched together in Newfoundland and Saskatchewan respectively. Money has also been thrown at any number of worthy causes, ranging from AIDS patients to

illiterates.
The inking of last week's agreements constitutes Mr Mulroney's pitch to the north

a region in which the Conservatives won all three seats
at stake in the last election. Since then, northerners have become incensed at the implications of the Meech Lake constitutional accord which, they feel, would harm the aspirations of the Yukon and Northwest territories to fully-fledged provincial status.

If ratified, the accord would mean that the creation of a



new province would require the unanimous approval of the federal government and all 10 existing provinces — a degree of consensus which, many experts feel, would be virtually impossible to achieve.

Mr Mulroney has been at pains to refute this impression.

Nonetheless, last summer - shortly after the negotiation of the accord - the left-of-centre New Democratic Party won the Yukon in a by election after 29 years of Tory incumbency. Both Northwest Territories seats remain, for the moment, under Conservative tutelage. But Mr Mulroney's politick-ing should not detract from the

importance of the agreements to northern Canadians. The energy deal, which gives the Northwest Territory joint management responsibilities for onshore energy resources and a share of royalties, may bring the region a step closer to eventual provincial status by weaning it away from dependence on Ottawa. The federal government gives the territory some C\$700m (£333m) a year in transfer payments. The Beaufort Sea and the adjacent Mackenzie delta have

proven reserves of 1.5m barrels of oil and 12 trillion cubic ft of natural gas. Joint management of offshore energy resources is to be negotiated at a later date.

The land claims settlement, meanwhile, represents another stage in the process of righting some of the wrongs done to Canada's original inhabitants by successive waves of fur- and land-hungry white immigrants. The deal gives the Dene and Metis people of the Mackenzle river valley some 180,000 sq km of land and C\$500m for ceding ownership of territory over which they will not have title. It also marks the beginning of the end of 13 years of negotia-

The agreement-in-principle is one of four similar settlements which will eventually grant 39,000 Indians, Inuit and Metis (or people of mixed ancestry)
ownership of at least 550,000 sq
km or 7 per cent of Canada's
land mass. Beneficiarles will
also receive traditional landuse rights over a further 2.5m of Canada's nearly 10m sq km. In return for ceding owner-ship of these lands to the Government, natives will receive some C\$1.4 hn over 20 years.

Cars sales account for **US** retail decline

OS retail sales fell \$330m. or 0.2 per cent in August, the Commerce Department said. Reuter reports from Washington. It was the first drop since a 0.4 per cent decline in April. The department revised July sales to show a rise of 0.1 per cent instead of the previously reported 0.5 per cent rise.

The fall was nearly all accounted for by a 1.8 per cent fall in car sales. Excluding cars, August retail sales rise 0.2 per cent, compared with a 0.1 per cent rise in July. The August retail sales level was 2.7 per cent more than the August 1987 level.

The decline in retail sales in August means the US economy.

The decline in retail sales in August means the US economy remains strong and inflation is under control. Mr Mariin Pitzwater, the White Husse spokesman, said.

O US factories, mines and utilities operated at \$3.7 per cent of capacity in August, compared with a revised \$3.6 per cent in July and \$3.0 per

compared with a levised of the per cent in July and 83.0 per cent in Juna, the Federal Reserve Board said yesterday. This is the highest since March 1980.

IMF seeks more

Mr Michel Camdessus, manag ing director of the International Monetary Fund, plans to press at next week's annual meeting in West Berlin for a driubling of the agency's resources to about \$80bn, a senior IMF official said in au

interview with Reuter in Washington.
No decision will be taken in Berlin, because the Fund has already agreed to postpone action on the issue until next April. But a push for a swift quota increase is unlikely to be welcomed by the US, the largest IMF shareholder, monetary sources said.
The IMF official said the

Fund's quotas, or membership subscriptions, needed to rise at least 50 per cent to match growth in the world economy. But a doubling would be pref-erable so the Fund's members could be confident it had extra recovers to come with any resources to cope with any new international financial

Canadian surplus Canada's goods trade surplus

edged up to a three-year high of C\$1.5hn (E715m) in July, taking the cumulative year-to-date total to C\$6.7hn. - down C\$125m. on .1987, David Owen writes from Toronto.

Imports and exports alike fell sharply, however, leading observers to interpret the fig-ures as a further sign that some easing of the country's hitherto rapid economic growth is imminent. In all, Canadian exports dropped by C\$1.4bn to C\$10.5bn - the lowest level in a year. Imports plummeted even faster - by

C\$1.5hn to just C\$9bn. Some of the decline in both imports and exports was attri-buted to lower antomotive trade, due to the simultaneous closure of certain Canadian manufacturing plants for retooling. Imports of equip-ment and machinery were also down sharply from a month earlier...

Wall Street fines

The House of Representatives has unanimously approved a bill that would increase fines against convicted Wall Street insider traders, lengthen their prison terms and penalise investment firms that permit the practice, AP reports from Washington.

Tha measure was passed Wednesday by 410-0, but its fate is unclear in the Senate, where the legislation may not advance unless the Bouse approves a Senate-passed banking bill.

The Swiss Research Institute for Marketing and Distribution at the St. Gall Graduate School of Economics, Business and Public Administration and the MONTREUX

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OVERSEAS NEWS

A Seoul policeman sprays a fellow officer whose clothes were set alight by a fire bomb thrown by a student in demonstrations

Olympics plea to Libya

LIBYAN athletes have failed to Libya's 13-man team had been LIBYAN athletes have raned to arrive for the Scoul Games and Olympic chiefs have sent a message to Libyan leader Colonel Muammer Gadaffi urging that they come, a senior Olympic official said yesterday, Reuter reports from Senul.

A Company

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ter reports from Seoul.

Mr Mario Vazquez Rana, head of the Association of National Olympic Committees, said: "We don't know if they are having problems with their plane, or other problems of another nature." Libya boycot-ted the last Olympics in Los

Egypt presses for Western aid

EGYPT mounted a campaign yesterday for Western support. in tackling its economic prob-lems and President Hosni Mnbarak prepared for quick visits to London and Paris, Reuter writes from Cairo.

Mr Mubarak planned talks
with Mrs Margaret Thatcher.

the British Prime Minister and President Francois Mitterrand of France this month, Egyptian officials and European diplo-

Gas attack 'sparked hijack battle' THE GUN battle which ended a 26-hour bus hijacking in Lesotho 15 minutes after Pope John Paul arrived, was trig-gered by South African sol-diers who released tear gas beside the vehicle, survivors said yesterday, Reuter reports from Maseru.

Three hijackers and a 13-yearold schoolgirl died in the 10minute shootout inside the due to arrive on September 12. They assembled in the team hotel in Tripoli earlier this equipment but was then told to go home again.

"The team was there and ready to go, but they haven't shown up," said Mr Vazquez

He added that he and Interthe added that he and inver-national Olympic Committee president Mr Juan Antonio-Samaranch had "sent messages to Libyan leader Gadaffi

Angeles. Olympic officials said come."

News of his planned mission broke as Mr Esmat Abdel-Ma-guid, the Foreign Minister, urged ambassadors of the seven leading industrial states to continue backing Egypt in slow-moving negotiations on International Monetary Fund help and debt rescheduling.
The President, who views the European Community as a chief supporter of his economic reform efforts, may also visit Italy and West Germany.

British High Commission com-

Sister Florina Nyokana, one of the hostages said soldiers; lobbed tear gas at the bus moments after the Pope's convoy passed a few hundred metres away. Sister Florina said she thought South Africans were involved in the shooting. "I saw some white men," she

in the next lew days will depermine whether such an understanding can be found, and will have an important bearing on the political future of Lebanon and the role to be played there by Syria, which sent its forces into Beirut in February 1987 and now has an estimated

and now bas an estimated 25,000 troops in the country.
This road to further chaos has been clearly mapped out. An election session of pariament has been scheduled for next Thursday, just one day before the end of President Amin Gemayel's term of office.

The provided of the country of the c Under . multi-confessional Lebanon's 45-year-old power-sharing arrangements the Pres-ident is required to be a Maronite Christian, the Prime Min-ister a Sunni Moslem, and the parliament speaker a Shia Mos-lem. The problem has heen finding a Christian candidate acceptable to all factions.

LESS THAN a week away from

a presidential election - the

outcome of which nobody can predict - Lebanon once again finds itself teetering on the

Beirut, it is the belief that only

an understanding between the US and Syria can prevent the country from plunging into fresb crisis and division.

The efforts of Mr Richard

Murphy, the US special envoy, in the next few days will deter-



sus candidate", and the Syrians and their allies continue to press the contentious candidacy of former President Sulei-man Franjieh, the hardline Christian Lebanese Farces militia will again boycott the election session, as it did suc-

cessfully in August.

Apart from Mr Franjieh, the only declared candidate, other possible contenders include Gen. Michel Aoun, the Leban-ese army commander, and Mr Raymand Edde, a Christian parliamentarian.

If parliament is denied a quo-rum and fails to produce a new president — as happened at an abortive first session on August 18 — there will be a constitutional vacuum. Hard-line Christian leaders insist that in such a situation,

Mr Gemayel must form a transitional government, headed by a Christian Prime Minister, to fill the gap. But the Syrians and their allies in West Beirut have denounced the step as a scheme for partition, and reaf-firmed their support for the current government headed by

Lebanese pin hopes on a US-Syrian understanding

Jim Muir writes from Beirut on a political crisis which threatens the country with further violence

Mr Selim al-Hoss. With the two sides already sxchanging accusations of intimidation, and tension ris-ing along the Green Line dividing East and West Beirut, it is hard to imagine such a sce-nario going ahead without a

relapse into violence. Yet despite all the ominous signs, there is a surprising degree of optimism on both sides of Beirut that the Ameri-

"We're still betting on a president emerging in the last quarter of an hour, said Mr Karim Pakradouni, deputy commander of the Lebanese Farces militia in East Beirut. "Murphy's arrival in Damascus is itself 50 per cent of the solution, and the other 50 per cent is up to the negotiations."

Underpinning the hopes, per-haps, is a belief that it is not in Syria's interest to see Lebanon plunged deeper into chaos. Vio-lence has in the past served only to unify the Christian camp and stiffen its defiance. It would only make sense if the Syrians were willing to send their troops in to East Beirut to crush the Christian militia, a step from which they have

The current climate of crisis has, it must be said, been largely generated by Damascus. Its continuing support far Mr Franjieh's bid for power was a clear challenge to the East Beirut Christian camp, to whom the former president is totally unacceptable.

Behind the brinkmanship is a clear Syrian insistence that the presidential election must be an occasion for change. So far, Damascus has refused to agree to the election of an innocuous, ineffective president who would simply perpetuate the status quo. It wants to use the election to break the deadlock which has paralysed Lebanon since January 1986, when the current Christian militia commander, Mr Samir Geagea, revolted against a Syr-ian-spansared settlement amending the power-sharing arrangements.

Hence Damascus has so far made its approval of a conseo-sus candidate conditional on acceptance of a reform package similar to the accord which was torpedoed in 1986 on the grounds that it gave away too much Christian power to the Moslems, and too much of Leb-

anon's sovereignty to Syria.

Hence, too, the special role all atted to the Americans.

They, Syria believes, are the only party capable of exerting sufficient pressure on the Christians to neutralise Mr

Geagea.

While the Syrians are looking to the US to induce change in East Beirut, the hard-line Christians there are clearly boping that Mr Murphy can persuade Damascus to back off and accept a compro-

mise candidate without insisting on prior agreement to far-reaching reforms.

If he fails in his unenviable task, the Syrians themselves will be faced with a choice. They could back down and accept a colourless president just to keep the peace. Or they could press ahead with their attempt to impose Mr Franjieh, and plunge Lebanon into fur-

ther discord. So far, the Syrians seem determined to try to tighten their grip over Lebanon. Their main fear appears to be that Iraq, oow freed to some extent from its war with Iran, will use Lebanan as a springboard for anti-Syrian activities. They are particularly wary of the deep-ening relationship between whose officials admit that Iraqi interest in Lebanon has been rekindled since the Gulf war

stopped.
Such considerations could lead the Syrians to switch their backing to the far from pallid figure of Gen Aoun wbose uodeclared candidacy is rumoured to enjoy some US support.

ISRAELI FOREIGN MINISTER TRIES TO STEM SYMPATHY FOR ARABS Peres seeks UK's 'cool judgment'

MR SHIMON PERES, the Israeli Foreign Minister and Labour Alignment leader, yesterday called on Britain to use its influence with its European Gommunity partners to restrain any rash initiative towards the Arab-Israeli con-flict.

If Mr Murphy fails to pro-duce agreement on a "consen-

Speaking after talks in Lon-don with Mrs Margaret Thatcher, the Prime Minister, the Israeli official said Britain could exercise "cool judgment" in the present fluid situation in the Middle East. The outgoing coalition government in Jerusalem is anxious to block a groundswell of support in Western Europe for the possi-ble declaration of a provisional Palestinian government for the Israeli-occupied West Bank and

Gaza Strip.
The discussions with Mrs Thatcher were said to have focused on moves to block the snpply of components and materials for hiological and chemical weapons to the Arah world, another current preoc-cupation of Israel Mr Peres is lso understood to have raised the issue of Britain's supply of Tornado combat aircraft to Jor-

With crucial elections due in Israel in less than seven weeks time, the Foreign Minister's two days in London and his forthcoming visit to New York — to attend the opening of the United Nations General Assembly bly and meet Mr Esmat Abdel-Meguid, his Egyptian opposite number, together with Presi-

dent Ronald Reagan - is intended to demonstrate to the Israeli electorate that the Middle East peace process is still

alive.
Mr Peres told a press conference yesterday that while a Labour-led government would prefer to negotiate with a joint Jordanian-Palestinian delegation, it would be willing also to talk separately to the Jordanians and Palestinians.
Diemissing Mr Vassir Ara-

ans and Palestimans.

Dismissing Mr Yassir Arafat's address on Tuesday to the Socialist bloc of the European Parliament as being of little significance, he called on the Palestinian Liberation Organization. sation leader to seize the present opportunity to make up his mind. "If he admires de Gaulle so much, why doesn't he try to

South African detainees stay in US consulate

always shrunk in the past.

By Jim Jones in Johannesburg

THREE Sonth African anti-apartheid activists who escaped from custody on Tuesday have given no indication of when they will leave the sanctuary of the US consulate in central Johanneshurg, in spite of assurances hy Mr Adriaan Vlok, the Minister of Law and Order, that they would not be re-arrested if they left the huilding. The three men believe that

though the Government might find it difficult to re-detain them, it is considering other restrictions such as bannings or bouse arrest. This was the case some months ago when Mr Govan Mbeki, the ANC leader, was released from prison, and later banned.

Taipei reduces payments to defectors from China

By Bob King In Talpei

TAIWAN has significantly altered – but not ended – its policy of offering sizeable rewards in gold to military per-sonnel who defect from China. The move follows a decision by Peking recently to abandon entirely the practice of offering inducements to military defectors from Taiwan, Members of

parliament, scholars, and the public here have long criticised the Government's multi-million-dollar rewards, saying they cheapen the images of genuine defectors by raising the possibility that money, rather than ideological commitment, prompts their action.

Over the summer, a pllot who defected two decades ago severely embarrassed the Gov China has appointed 17 top military officers as full generals, following a decision to restore conventional ranks and move away from Mao Zedong's ideal of an egalitarian army, Reuter writes from Peking. Zhao Ziyang, the Communist Party General Secretary who

this year, in effect, took control of military affairs, formally granted the general's rank to the 17 at a ceremony on

Wednesday and said this year's military reforms were vital. One Western military attaché said the lack of ranks had led to battlefield chaos in China's 1979 war with Vietnam, when officers were unable to enforce orders among units other than those

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credit deal

with China

World Trade Editor

BRITAIN is to sign a credit
agreement with China, expected to be for 2300m, during the
course of a visit there next
week by Mr Christopher Patten, Overseas Development
Minister.

The loan, to be made available under the Government's
Aid and Trade Provision
(ATP), will be the second such
deal between the two countries. A credit line, also of
1300m, was signed in 1886.
The Overseas Development
Administration declined to

Administration declined to give details of the deal before Mr Patten's departure for Peking today, but the Department of Trade and Industry

has previously said that a \$300m credit was under nego-

China has been relatively slow to negotiate projects under the existing loan,

although it was used to finance a deal in the spring under which the Huaneng International Power Develop-ment Corporation contracted

to buy £168m worth of power

generating equipment from GEC. The present line, which carries interest at 5 per cent,

is thought to be about two-thirds used up.

The new deal could provide a substantial additional boost for UK-China trade. Under the

ATP system the Government is

World Trade Editor



1988 Interim Report

CHAIRMAN'S COMMENTS

Operating Profit

Other activities

Military Aero Industrial and Marine

Ongoing restructuring costs, charged

Civil Aero

Pre-tax profit for the first 24 weeks of 1988 was £63 million (1987 £60 million), after a charge of £14 million for restructuring arising from reorganisation and severance costs in a planned UK workforce reduction (1987 £2 million). This was achieved after a reduced charge for net research and development costs of £77 million (1987 £84 million).

Interest received amounted to £6 million, against a charge of £8 million last year, reflecting a strong cash position; net cash balances at mid-year were £121 million.

Significant new business has been taken in both the civil and military aero sectors resulting in an increase to £3.4 billion in the order book (end-1987 £2.8 billion); further opportunities continue to present themselves.

The directors have declared an interim dividend of 2.10p per ordinary share. This will be paid on 5 December 1988 to those shareholders on the register on 21 October 1988.

Sir Francis Tombs

UNAUDITED GROUP PROFIT AND LOSS ACCOUNT for the 24 weeks to 18 June, 1988 31 Decem 1987 24 weeks 1987 Unsudited Audited 899 2.059 Turnover 893 152 347 Operating profit Research and development (oct) Profit before interest 160 Net interest receivable (payable) (4) Profit before exceptional item 156 Exceptional item - restructuring costs Profit before taxation Taxatioo (21)Profit after taxation (1) 52 134 Profit attributable to shareholders Divideods - Interim proposed 92 Earnings per ordinary share 18.2p 18.2p Net basis excluding exceptional item NOTES t. Turnover Civil Aero Military Aero Industrial and Marine Other activities 2,059 100 100 . 100 % on 95 on % on

- (2) ന against operating profit, were
- the results for any particular 24 weeks may not be representative of the whole year. 3. Earnings per ordinary share on the oet basis are calculated by dividing the profit attributable to shareholders by the weighted average oumber of ordinary shares - 801 million (1987 first 24 weeks 659 million, full year 738 million) in issue during the
- 4. The comparative figures for the year to December 31, 1987 have been abridged from the Group's accounts for that year, which received an unqualified auditor's report and which have been delivered to the Registrar of Companies.

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1,149	812
2,133	1,508
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	\$000 41,252 3,282 1,149 2,133

"The prospect for continuing growth is extremely encouraging ... "

"I am confident that the full year's results for 1988 will be substantially ahead of last year..."

"Looking beyond 1988 we see excellent prospects for further growth..."

Turzover

21

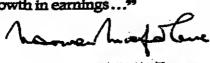
152

133

347

Turnover

"We intend to recommend an increase in annual dividend which reflects the underlying growth in earnings..."



For a copy of the 1988 interim Report apply to: Company Secretary, Macfarlane Group (Clansman) FLC Clansman House, Sutcliffe Road, Glasgow G13 1AH.

WORLD TRADE NEWS

Royal Ordnance US sales UK to sign hit £175m with arms deal

ROYAL ORDNANCE, the armaments company which the UK Government sold to British Aerospece last year, has brought to £175m (\$292m) the value of its 81mm mortar system sales to the US, its most important breakthrough in the

The latest order from the US Department of Defence, which the company said was worth almost £55m, comes with a further £14m worth of options.
The system, called M252 in

its US version, is adapted from the one in service with the British Army and incorporates s US sighting system, improved ammunition and a

Japan provides

three soft loans

for Sri Lanka

By Mervyn de Silva

blast attenuation device.

The company made its first inroads into the US last year with sales of this system as well as its 105mm light gun. In May this year it amounced its first manufacturing project in the US, an explosives Joint venture with Fraction Plotford.

At the same time, the Plessey electronics group also amounced the sale of a system derived from equipment used by the British Army, an integrated military communications network for the Austrian armed forces. armed forces.

It said its share of the project, as "system design author-

ity" was worth several hundred million schillings, without being more specific. A consortium made up of Ratsch and Siemens' Austrian subsidiary has prime contracting responsibility for the programme.

The system is described as a "son of Ptarmigan" — the digital battlefield communications system which the British Army has been using in West Germany since 1965.

Later that year, Pleasey, teamed with Rockwell of the US, lost a 23bn contract in the US to the rival Rita system developed by France's Thom-

Telecom Australia wins Saudi contract

By Chris Sherwell in Sydney

A THREE-YEAR contract to manage Sandi Arabia's telecommunications network has been won by Telecom Australia, the country's domestic operator, with a competitive bid of A\$86m (£40.6m).

The deal is said to be one of

Mr Mel Ward, Telecom's managing director, acknowl-edged yesterday that the price

was important in winning the contract, but said Sandi Arabia's similar geography and climate and Telecom's use of Ericsson switching systems had helped.

Telecom is the world's sec-

ond largest user of Ericsson equipment after Sweden, and

has adapted some of it to the special conditions prevailing in Australia's arid hinterland.

The state-owned company's fledgeling international arm is

SRI LANKA has signed three loans with Japan totalling 3.4hn rupees (\$61.6m).

Two of the loans will help finance projects of the state railways and the Ceylon Electricity Board (CEB). The railways will use 1.6bm rupees to increase the carrying capacity of the city and suburban transport system. It will buy 20 diesel power coaches, so trailers and spare parts to replace its depleted fleet of old the largest international service export contracts won by an Australian company, and is seen as a breakthrough in help-ing to secure Telecom's posi-tion among the world's international telecommunications

diesel locomotives. Another 1hn rupees will be used by the CEB to modernise and reinforce its transmission

"The construction of 132 new transmission lines, new grid substations and the main digital radio ring will improve the country-wide communica-tion system," the CEB said.

The rest of the yen credit will be used for buying Japa-nese goods named in a priority list prepared by the finance and trade ministries. Repaynt is to be over 30 years at 2.5 per cent interest.

Thailand, and since its forma tion only 21 months ago has wen more than 80 minor con-

a 50-50 partnership with the a 50-50 partnership with the local firm Natel, which is owned by the influential Nesma group. Nesma's interests are thought to include port operations, defence communications and maintenance work at 175 percent forces see the work at US armed forces estab-

They beat a consortium including Bell Southwest of the US and the Bundespost of West Germany, which bid more than

a A\$125m turnkey contract in

countries.
Telecom won the contract in

The contract involves 130 staff rather than the originally planned 200. Bids for the latter included one from Bell Canada, which has held the Saudi contract for 10 years. For this, Telecom bill USSEM, against the tripartite consortium's US\$127m and Bell Ganada's

likely to use its aid funds to sabsidise interest payments by China so that it will receive concessional losss of 2300m.

Soviet food

export deal

By Peter Montagnon CIM, the Hampshire-based food processing company which is developing a food canning plant in China, is to enter the Soviet market under an agreement that should help promote Soviet exports of food

it has signed a Joint venture agreement with SATRA, a trading company specialising in Soviet products, to identify and set up plants in the Soviet Union to produce indigenous foodstants and fruit and vegetable exercises which it seems to be seen to be sufficient. table varieties, which, it says, will command premium prices in Western markets.

m western markets.

SATRA, an Anglo-American
concern which introduced
Coca-Cola to the Soviet market and handles the sale of Lada cats to the UK, already has an Union to help develop its food

industry.

Under the joint venture it will be responsible for identifying projects and arranging finance while CIM will be responsible for project management and the purchase and marketing of the end product.

CIM declined to give details of the likely projects yesterday but: a spokesman said that among the products under consideration were frozen chipped potatoes, apple juice concentrate, tomato paste and fresh winter cucumbers for distribution in the West. tion in the West.

HK disquiet over trade image

By Michael Marray in Hong Kong

OVER the past few years, Hong Kong has grown used to being held up as a model of free trade by the steady stream of United States Administration officials and congressmen who have passed through the territory.

te being p market openness, however, government officials here lament the fact that the territory is all too often thought of as one of the four Asian Newly Industrialised Economies (NIEs) when trade matters come up for discussion around the world.

The habit of the US Commerce Department of releasing an Asian NIEs deficit figure within its monthly trade data has only served to add to the

Mr Piers Jacobs, the colony's Financial Secretary, recently took up the issue when he delivered his half yearly review of the economy. Mr Jacobs said the US Administration had been gen-erally helpful in maintaining a liberal stance on trade, and was aware the structural imbalance within its own econ-

leading to the current trade imbalance. But, on the other hand, public concern in the US over the trade imbalance has often been misleadingly focused on the contributions made to that imbalance by the United States' bilateral trade deficits,"

"The lamping together of Hong Kong with Taiwan, South Korea and Singapore under such titles as the Tour Little Dragons' has been particularly unfortunate and mis-

Local trade officials have

and trading systems to be found among the four, and object to the NIEs being presented as a trading bloc.

With the US trade deficit on a downward trend, lension on the trade front that have eased

pointed to the wide variety of

mic structures, policies

somewhat for the time being but fears still linger of a future backlash against the US's Asian trading partners. The Reagan Administration

The Reagan Administration has been positive towards Hong Kong, but one of the few thorny issues is the link between the Hong Kong dollar and the US dollar. Local officials hope it will be understood in Washington that the link is in place for reasons of stability and not trade advantage.

Senator Lloyd Bentsen, Democrat, said a revaluation should be considered.

Zambians near to dying for a pint

Victor Mallet on the decline of a state-run beer industry

which demonstrates the failure of the more humbling African governments to provide solace for their people in times of hardship, it is the rapid decline of the Zambian state-controlled beer industry. Other countries on the conti-nent have suffered equally catastrophic years of economic decay, but few have allowed an industry so fundamental to urban life to fall into such disrepair. Zaire, Nigeria and Tan-zania may have neglected essentials such as transport and agriculture, but they have not ignored their beers. "Whatever has gone wrong

at both plants of Zambia Breweries must be corrected to avoid people's deaths. Wrote a typically anguished Lusaka resident, Mr Lasford Chaba-tama, in a letter to a newspa-per. Zambians, he said, were in danger of dying from drinking lethal concoctions of illicit spirits in the face of persistent

spirits in the face of persistent beer shortages.

"I am not saying beer drinking is an excellent habit," he concluded, "but life would be hell on earth with everybody sober day and night."

Ever since the colonial powers left Africans with a taste for lager, the beer industry has become an important source of

become an important source of become an important source of revenue for African governments, a major employer and a necessary ingredient for political stability — the army in Zambia gets cheap and plentiful beer.

After Zambian independence and a wave of nationalisations in the 1960s, the country's South African run brewing industry fell into the hands of an unwieldy state constoner.

en unwieldy state conglomerate known as Indeco. It has not been a happy time for Zambian beer drinkers.

Where once there was a choice of three beers, now there is only one. Although labels appear only occasion-ally, every Zambian: knows that the familiar brown bottle contains Mosi, successor to the popular dry South African lager called Castle. But Mosi is often unobtainable, or available only at a black market price appropriate for such a

scarce commodity.

Beer has been in short supply for more than a decade and the reasons are all too familiar

appear occasionally at a Zam-bian bar, hardened regulars will often buy their entire will often buy their entire evening's consumption at one fell swoop to ensure a constant supply. "Beer shortage ruins disco," laments a newspaper headline, "Ndola guzzlers face Mosi blues," moans another. It could not go on. The Dutch firm Heineken, already involved in a dozen other Atriinvolved in a dozen other African enterprises, arrived in 1965 to implement a five-year recovery programme for Zambia Breweries. The newcomers

Beer has been in short supply for more than a decade because of an absence of competition, poor management, lack of maintenance, and official price controls

to African businessmen. Absence of competition, poor management and lack of maintenance, together with official price controls which ignored the need to invest in new equipment, all contributed to a situation in which the plant at the two state breweries was working at 50 per cent or less of its rated capacity.

Storage tanks were rusty, boilers out of order and bottling lines decrepit. Zambian beer became notorions

ing lines decrepit. Zambian beer became notorions throughout southern Africa for its poor quality — old hands still hold their glass up to the light as if expecting to find "floaters", mysterious black objects which traditionally lurk in bottles of Mosi. Ironically the shortages have encouraged imports of South African Castle and smuggled beer from Zaire, for which the

beer from Zaire, for which the desperate and the rich are pre-pared to pay six times the price of Mosi. When Mosi does

were horrified by what they found. "I've never seen anything as ramshackle as the plant or the management structure here," said one of those involved.

As has become characteristic of Zambian economic policy-making, the Government first welcomed the 10-man Heineken welcomed the 10-man Heineken team, then made life difficult for them. Payments to the company were delayed, foreign exchange for new equipment and spare parts was not disbursed and criticisms were voiced about "unnecessary" experts from abroad.

All of this may have something to do with President Kenneth Kaunda being a tectotaller — he often urges Zambians to drink less and recently sacked a cabinet minister in public for alcohol abuse.

"The progress of rehabilitation has been going very slowly indeed," said one of the experts connected with the

experts connected with the impatient"

programme. We had expected to spend \$20m in each of the first two years; and I would doubt whether we spent even som." Suggestions that Heine-ken should make a substantial foreign investment in Zambia and take control of the breweries from Indeco, or open one

of their own, were veloed by the Government. Since the end of last year, however, the flow of funds has improved and repairs are at last under way. Retail beer prices were raised in January by more than 50 per cent. But Indeco remains understandably nervous about its reputation and is reluctant to talk. Like the disease AIDS, beer is Like the disease AIDS, beer is a confroversial issue that gov-ernment efficials do not care to

Privately, some members of Privately, some members of indeco's management are optimistic. Zambian annual demand is estimated at 1.4m hecfolitres, present output at 1.0m and finiure production at 1.8m. "In the last year and a half the quality has improved a hundredfold," says a senior indeco executive. "It used to have things floating in it, it used to be flat . . . Now we even hope to have some for export."

it may be too early to think about exporting Most to the US as a speciality beer, as Kenya has done with its Tusker. At the moment it is difficult enough producing the beer at the same time as repairing and replacing the equipment — a halt in beer production is almost unthinkable even in a country as politically lethangic as Zambia.

"We are not disappointed with the programme," says the Indeco executive. "The only thing is that the public is a bit

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pint

The passengers on this flight left Heathrow at 10.30am, yet will touch down in New York a little after nine o'clock. They could then be on Wall Street in under an hour, a full day's work ahead. They could only be on one aeroplane.

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POSTAL STRIKE

Proposed acquisition of Technicolor Holdings Inc. Rights Issue and Extraordinary General Meeting

In connection with the proposed acquisition of Technicolor Holdings Inc. and the Rights Issue, copies of a circular to shareholders of Carlton Communications Plc ("Carlton"), incorporating a Notice of Extraordinary General Meeting, together with listing particulars and Forms of Proxy for the Extraordinary General Meeting of Carlton have been despatched by courier to the registered addresses in the United Kingdom of Carlton shareholders. However, due to the current disruption of the postal system, plans to convene the Extraordinary General Meeting for 10.00am on Monday, 3rd October, 1988 have had to be cancelled and it is now proposed that the Extraordinary General Meeting be held at 10.00am on Friday, 7th October, 1988 at the offices of Clifford Chance, Blackfriars House, 19 New Bridge Street, London EC4. Accordingly, new Norices of Extraordinary General Meeting and Forms of Proxy have been despatched by post to the registered addresses in the United Kingdom of Carlton shareholders. If any such documents are not received by Carlton shareholders at their registered addresses in the United Kingdom within the next few days, additional copies may be obtained by contacting Carlton Communications Plc, 15 St. George Street, Hanover Square, London W1, telephone (01) 499 8050, and arrangements will be made for copies to be

In order to be valid, a Form of Proxy must be completed in accordance with the instructions printed on it and returned so that it is received by 10.00a.m. on Wednesday, 5th October, 1988 by the Company's registrars, National Westminster Bank PLC, Registrar's Department, PO Box 82, Caxton House, Reddiffe Way, Bristol BS997YA.

In addition, due to the current disruption to the postal system, completed Forms of Proxy may be deposited at shareholders' risk during normal banking business hours before 12.00 noon on Tuesday, 27th September, 1988 at any branch of National Westminster Bank PLC.

This notice is issued by Carlton Communications Plc and has been approved by Hambros Bank Limited. a member of The Securities Association. Hambros Bank Limited jointly underwrote the Rights Issue with Shearson Lehman Hutton International, Inc. and Barclays de Zoete Wedd Limited.

Notice of Meeting of Noteholders

DE MEXICO, S.A.



(Incorporated in the United Mexican States)

U.S. \$85,000,000 Floating Rate Notes due 1989

NOTICE IS HEREBY GIVEN that a Meeting of Noteholders of Tubos de Acero de México, S.A. U.S. \$85,000,000 Floating Rate Notes due 1989 will be held at Bank of America, London Branch, Berkshire Room, 7th Floor, 25 Cannon Street, London EC4 P4HN, England, on Friday, September 23, 1988, at 12:30 p.m. (London time).

Tubos de Acero de México, S.A.

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YUGOSLAVIA

Vojvodina walks a political tightrope

he nationalist-inspired demonstrations by Serbs against alleged intimidation by ethnic Albanians in Yugoslavia's southern antonomous province of Kosovo are spilling over into the northern province of Vojuvilina

Vojvodina. Officials from this ethnical-Officials from this ethnically-diverse province – where there are six official languages and more than 20 different nationalities – fear that if the emotionally-charged demonstrations and ethnic tensions continue their special rights and autonomy will be compromised to the point that they will be forced under the direct control of the republic of Serbia.

Serbia has two autonomous provinces – Kosovo and Vojvo-dina. Serb demonstrators want a sharp reduction in Kosovo's autonomy because of alleged discrimination by ethnic Alba-nians against Serbs. If the Serbs get their way, Vojvodi-na's autonomy would be cur-

tailed as well.
Officials and intellectuals from Vojvodina, a region which is often called the breadbasket of Yugoslavia because of its agricultural importance, are slowly beginning to take stock of what they regard as the country's most serious post-war crisis.

Crisis is a term Yugoslavia has lived with since 1948 when the late President Tito boldly stood up to Stalin and decided that Yugoslavia should determine its own model of social-

t is precisely that socialist model, bound by the intriate and complicated constitution of 1974, which created the autonomous provinces of Kosovo and Vojvodina, that is now being called into question in the form of proposed amend-

Moreover, those amendments are seen as one of the main causes of the present wave of ethnic tensions.

At the same time, the constitution, which gave the six republics and two autonomous provinces a wide range of economic and political powers, is also seen as responsible for the current economic problems. In 1974, however, such an intri-cate constitution had a certain raison d'être.

By creating two autonomous provinces and constitutionally linking them to the republic of Serbia, the 1974 constitution aimed at curbing Serbia's political domination of the Federa-tion.

In the first of a series, Judy Dempsey in Novi Sad reports on fears that Serbian protests in Kosovo

could mean the end of autonomy for a northern Yugoslavian

province

That constitution created eight individual communist parties; each going its own way, each duplicating big white elephant economic pro-jects; each setting up unwieldy bureaucracies and administra-

It can be best described as a kind of "autonomous autarchy where any consensus relied on the lowest common denominator and weak compromises, was how one Yugoslav economist put it.

Unusually, Yugoslavs today agree that the proposed amendments, which aim to break the log-jem and inertia of economic on-making, are long over-

The uncertainty about the future status of Vojvodina and Kosovo is heightened by the position of Mr Slobodan Milo-sevic, Serbia's party leader, who advocates amendments to the Serbian constitution which will erode the much-cherished autonomy of the two prov-

Officials in Novi Sad, the capital of Vojvodina, argue that the province "will be inte-grated fully into Serbia proper. Our autonomy, and thus our rights will end. We will lose all our authority " our authority.

It appears that Mr Milosevic is in a position to press ahead with curbing the autonomy of the provinces, because the cou-



stitutions of the individual republics must reflect and correspond to certain amend-ments made to the federal con-

Taking advantage of these federal amendments, Mr Milosevic is in the position of "defining the exact scope of the Serbian constitution" and how far Serbia can diminish the rights of the provinces.

I nder the present Serbian constitution, the provinces enjoy many of those rights exercised by the republics. Vojvodina, for instance, is free to decide its own foreign policy relations, as

own foreign policy relations, as well as its internal security, its weal as its internal security, its judiciary and courts, its territorial defence (civilian rather than military), and — of crucial importance to the Vojvodians many aspects of economic

Mr Sredoje Erdeljan, the Vice-President of the Executive Council of Vojvodina, who is involved in economic policy, is far from happy with the pro-posed amendments, which would, for example, transfer

In addition, other officials say that Vojvodina's steady road towards freeing the econ-omy and agriculture from central planning and allowing more private initiative, would

be reined in. It is argued that central planning could adversely affect the economy in Vojvodina as well as its ability to feed the rest of Yngoslavia. At the moment, 50 per cent of the province's total agricultural output is earmarked for Yugoslavia, while the remaining 50 per cent is equally divided between exports and the recim's corn needs.

zion's own needs. it is not only the economy which could be affected by the constitutional amendments. Mr Stanko Susnjar, president of the committee for legislative affairs, says that the province could lose control over some of its courts and its territorial

There are 33 amendments to the Serbian constitution. There are major differences between us and Serbia over three amendments," says Mr Susniar. One of the most sensi-tive is the issue of territorial it now appears that Mr Mile-sevic is proposing that Sarbia, and not Vojvodina, should decide on the organisation of this kind of defence, right down to the smallest village unit. Officials in Vojvodina helieve that this would was believe that this would mean Serbs from Serbia would run these units. Serbia would also have the right to decide when and what forces should be sent in to any region of the repub-

The other issue is the courts, in which it is envisaged the Supreme Court of Serbia would in future play a greater role in Vojvodina's judicial affairs.

e had more autonomy under the Habsburgs," one Vojvodina journalist said. "Then, we could appeal to the highest court in Vienna and not to any intermediary courts." intermediary courts."

The gnawing away at Vojvo-dina's rights has engendered a form of "Vojvodinian nationalm." But it is by no means certain

that Mr Milosevic will set his own way. The assemblies of both Kosovo and Vojvodina have to endorse the amend-ments which must be prepared

by the end of October.

But what Vojvodians fear most is that he may resort to nationalist demonstrations to push the cause of a "Greater Serbia." He has done this in

the past. Recently, Serbs from Kosovo marched in Vojvodina. There, they protested against the alleged plight of the Serbs in Kosovo and demanded moral support from their fellow Serbs

in Vojvodina.
The Vojvodinans turned a blind eye. But more demonstra-tions of this kind could well encourage Serbs in Vojvodina to openly support their fellow

Serbs in Kosovo.

"Tensions between the ethnic groups in Vojvodina could
suddenly explode," a journalist
from Novi Sad said, adding
that nationalist Serbs in Vojvodina, who have already been involved in demonstrations in the province, could demand that the province be incorporated into Serbia.

Officials seem aware of this Officials seem aware of this possibility. Which is why they are seeking allies with the northern republics to curb Serbia's grasping hand. In which case, Mr Milosevic could face a formidable and nationalist-inspired opposition to his proposed amendments. Further articles in the series will be published in the Finan-cial Times next week.

Belgrade exceeds IMF inflation target

By Aleksandar Lebl in Belgrade

STRONG inflationary pressures have ensured that Belgrade will not achieve its goal, agreed with the International Monetary Fund, of holding the rise in prices at 90 or 95 per cent for

This has emerged with economic data showing public sector revenues – as yet the nearest guide available to public sector spending - were far in excess of target in the first

Prices rose 98.8 per cent between December and August alone, and inflation for the full

year now looks likely to reach or exceed 150

Total public revenues for the federal, republican and numicipal administrations rose by 206 per cent in the first half of 1968, compared with a target of 152 per cent. Federal revenue jumped by 229 per cent, or 72 percentage points above the limit set for its growth.

The Government secured a standby IMF loan

of SDE306m (\$235m) after committing itself to a swinging austerity programme and to liberal-ising prices, imports and the supply of hard

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money to work hard for you. Your perspective is international, both in business and private life. You are motivated by capital growth, security and tax efficiency. You seek the best professional information and advice in the management of your money. But you're not always sure where to get it. Or how impartial it

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written," we said. Finally, we decided that if you need that information, we'd provide it, TOTALLY FREE, every

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Going for the record

The best-selling record of all time is 'White Christmas' the work of Irving

Berlin left home when he was 14 to sing for his supper in New York cafés, taught himself to play the piano by ear (but only in the key of F sharp), and went on to become the best selling songwriter the world has ever seen with hits like: "There's No **Business Like Show** Business'; 'Anything You Can Do, I Can Do Better';

'Doing What Comes Naturally'; 'Blue Skies', (sung by Al Jolson in the world's first feature length talkie - The Jazz Singer.) Hardly a future you'd predict for the youngest child of a family of eight, born

in deepest Siberia. The best-selling recording artist of all time was Harry Lillis Crosby (who adopted the

nickname Bing from a character called Bingo in his favourite comic - the Bingville Bugle). Crosby owed much of his ability to sound like a man "singing into a rain barret" to things which most normal people have surgically removed but which instead, Bing had hugely insured. Nodules.

His buge success is perhaps best explained in a typically modest epitapb he wrote for himself: "Just an ordinary guy who could carry a tune?

It was Crosby who immortalised White Christmas for Irving Berlin - and that's another way to find success in the music business: mastering the art of The Occasion Song.

All you've got to do is write about something which is guaranteed to happen time after time - 'Easter Parade' (originally called 'Smile and show your dimple'), Irving Berlin; 'Get me to the courch on time, Frederick Loewe . . . that sort of thing. Never was this done more successfully than by Mildred and Patty S. Hill of New York. These two ladies wrote the most frequently sung song in the English language and also the first to be sung in space. What was it? 'Happy Birthday.'

to do the work." It was to Karl Marx, busily trying to finish 'Das Kapital'.

But how can someone with absolutely no writing talent whatsoever make it as an author? Well, you have to be ruthless. Mao's 'Little Red Book' reached 800m people; the works of Generalissimo Stalin. over 670m people; and Hitler's guarantee of sales for 'Mein Kampf' was to make it an obligatory wedding present for every newly married couple in Germany.

"Dear Adolf, thank you so much for our lovely..."

The bottom end of the market

The secret of enduring success in the fashion husiness is to be definitive. Like Y Front - or as its progenitor was called with typical American forthrightness, the Kenosha Klosed Krotch.

With an elastic waistband (tickertaped with the Jockey Y-Front name), inverted Y opening and the promise of 'No buttons! No loops! No front gaping! Y Fronts were made, as another early ad for them ran, "like the Spitfire - scientifically built to fit the man?

Perhaps the only design failure for Y Fronts concerned left handed men. For (we hope), obvious reasons, they were quietly advised to wear their Y Fronts inside out.

But the most phenomenal clothing success story ever belongs to Levi Strauss who introduced Levis in 1853 when young men were being urged to 'Go West' by the wagon foad.

Levis, (which have the distinction of bearing the oldest trademark in clothing history - the Seagull in Flight) have sold over two billion pairs. Just about the only change

to Strauss' original design has been to remove the rivet that used to be at the bottom of the fly. This was done after a customer stood too close to a camp fire . . .

If you want to get rich quick,

then make something that's

They're a little out. In fact it has

43,252,003,274,489,856,000 provided the military prototypes w

Probably the most popular board game of all time is Monopoly, which succeeded because it broke the rules.

When Parker Brothers bought the game in 1935 from its inventor Charles B. Darrow, they thought the novelty would wear off in about 3 years. It broke one of the most important rules of a good game by lasting for a hours, (conventional wisdom recommended 45 minutes as a

maximum) and it had no definite end to it. So they stopped production. But not for long . . . Monopoly is sold in 32 countries, has been translated into 17 languages, banned from

Cuba and played by well over 250 million

people including me, Winston Churchill and The Great Train Robbers at their Leatherslade Farm hide out - using real money.

Speed merchants

One bundred and forty five McDonald's bamburgers are eaten every second. They serve 19 million customers a day - the equivalent of the entire population of Australia and New Zealand.

And if all the burgers they'd ever sold were lined up, there'd be a very funny smell around.

McDonald's put their success down to Q.S.C.&V. (Quality, Service, Cleanliness and Value), something their 'crew members' (staff to you and me, or is it I?) learn at Hamburger University. Yes indeed, the first red-blooded Bachelors of Hamburgerology passed out in 196t, never able to look a cow in the eye again. These early graduates did their job

spectacularly wetl. Past surveys in the States bave shown that a McDonald's advertising jingle was second only to the U.S.

anthem in

terms of awareness and that children under ten ranked Ronald McDonald alongside Santa Claus as the most likeable adult

they knew. What about Ma and Pa? McDonald's claim that: "We take the business of making hamburgers more seriously than anyone else," and if you doubt this, ask yourself who else would open a restaurant at the North Pole

You might ask yourself who the poor burger at McDonald's is with the job of counting Big Macs. To date, they've sold 50 billion hamburgers ... oops, 50 billion and one, 50 billion and two, 50 billion and three ...

The art of promotion

'September Morn' painted in 1912 by the French artist Paul Chabas owed its popularity to a cunning bit of promotion.

Shipped to the States in search of a buyer, the New York gallery owner, sensing the value of some carefully stage-managed moral outrage, gave the picture prominence in his gallery window, tipped off the head of the New York Society for the Supression of Vice, (one Anthony Comstock) and earned instant notoriety for it.

With Comstock's unwitting belp, the painting's popularity spread across America on

posters, matchboxes. sweet wrappers and finally, on a calendar. Thus was

born the world's first glamour calendar. It was by no means the world's most successful however - the Pirelli

calendar, (which began life aimed at tyre fitters and ended up 'Britain's greatest office status symbot') lays claim to that title. The Pirelli calendar in turn owes its existence to another American, Tom Kelley.

At a time when calendars were using illustrators, he persuaded a printer to use some nude shots of a young, unknown model. One of them, published as Golden Dreams, promptly sold eight million copies. The model? Norma Jean Baker, better known as Marilyn Monroe.

Beetle Mania

On 17th February 1972, Volkswagen (literally the 'People's Car') broke the production record previously held by the Model T Ford with their 15,007,034th Beetle.

It was Hitler, (who had a Mercedes himself) who gave Ferdinand Porsche the idea of design-

ing the world's most practical car and then provided the military prototypes with the hardest

by beginning the 2nd W.W. But who holds the record for making the greatest

number of vehicles?

Dinky - who else? With millions of cars, buses, trucks, tanks, and missile launchers to their credit, there can scarcely be a single British male over 30 who 🐬 didn't have a little Dinky as a hoy.

> <u>The world's best Seller?</u> Nobody comes close to

"Count" Victor Lustig, the greatest con man the world has ever seen. The man who sold the Eiffel Tower not just once, but twice.

During his career, Lustig worked under 24 aliases and was arrested 47 times with no convictions.

Selling the Eiffel Tower for salvage was, as it were, the pinnacle of his

career. Posing as a senior civil

servant, Lustig invited five scrap metal merchants to tender sealed bids for the joh. The unfortunate whose tender was accepted was too embarrassed to make a fuss when he discovered

be'd been conned. So Lustig sold the Tower all over again to another

But he didn't stop there. With half of Europe on his tail, Lustig went to America where he sold a machine, supposed to be capable of making \$1,000 bills, to an Oklahoma sheriff. Sadly the sheriff was later arrested for passing counterfeit currency.

His most audacious sting however was almost bis last. In a moment of madness, Lustig tried to take Al Capone for \$50,000.

Incredibly he got as far as walking out of Capone's Chicago fortress with the money. He was later persuaded by polite enquiries as to his whereabouts from Capone's personal bodyguard, one Nitty the Enforcer, to return with the money. Even so, he still managed to touch Capone for \$5,000 by admitting to being financially

embarrassed? He died in Alcatraz in 1947 having attracted the very serious attention of the Secret Service by pumping over \$1m of 'queer' money into the U.S. economy.

On the death certificate, the entry made under Occupation was: 'Apprentice Salesman'

The world's best-selling Series Nope, it's not The Archers or The Waltons. it's the Epsons, (the FX850/t050's to be precise) latest models in the world's best-

selling printer series. If, like Sohachi Tamaoka, who has spent the past twenty years serialising his epic novel 'Tokuga-Wa-leyasu' in a Japanese paper, you're

in no rush to get into print, read no further. If on the other hand you'd like to get into print a bit quicker, Epson can let you in on the secret of their success: making the best, better.

In draft, the new FX's give you 264 cps at t2 cpi. That's more characters per inch than P.G. Wodehouse ever managed and t0% faster than the last FX's.

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(Speaking of sheets, did you know that Andrex sell enough toilet paper each year to build Mount Everest?)

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surprise. Frank's breast heaved. "Isn't that the same price as the old FX's?" she

blurted. Their secret out at last, Frank stopped heaving and smiled, his rugged good looks looking even

more rugged and good. This was the way he'd always dreamed it would end: with an address to write to for more

information: Epson (U.K.) Limited, Freepost, Birmingham B37 5BR. Or call up Prestel *280#; or ring 0800 289622

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indispensable, disposable,

Happy Birthday's popularity is challenged in the U.K. however by Sousa's 'Stars and Stripes Forever, lyrically amended to the more widely known 'Here we go, here we go, here we go' which, it is claimed, the average cabbage can be

taught to sing in under two minutes. From the ridiculous to the sublime. The man behind one of the fastest selling albums of 1979, was no ordinary mortal. He was (and is) God's Representative on Earth, Pope John

Paul II. His L.P. Pope John Paut II Sings at the Festival

Sacrosang, included six solo tracks and various tracks where he's backed by nnns and choirs of several million people. It was reteased, with no sense of irony whatsoever, on the Infinity label.

'Cherry tipped mounds of desire' Predicting success in the literary world is

as hard for publishers: "I would be the first to admit that there is no fortune in this series for anyone concerned . . . " (Allen Lane in 1935 just before taunching Penguin Books) as it is for authors: "A little squib that might amuse you when it comes out . . . " (George Orwell on Animal Farm).

Who would have guessed that Jacqueline Susann's 'Valley of the Dolls' would become the highest selling work of fiction ever? But success needn't be elusive if you know what people want.

Milts and Boon, (who once published authors like lack London, Hugh Walpole and P.G. Wodehouse) obviously do, and although they reject the idea that their romantic fiction is written to a formula, the reason 200 million women read these books is assuredly not to learn about Duncan's piles. Amanda's acne or an unhappy ending in the local abattoir. And one of the best-selling romantic novels of the century very nearly wasn't. The manuscript of Tomorrow is Another Day' whose heroine was called Pansy, arrived in the publisher's hands in a targe suitcase. The writer was Peggy Marsh and in 1936, after a lot of work, the story was released with a new title: 'Gone with the Wind'

Any touch of Genius noticed in this ad was lent

One publisher who didn't earn full marks for recognising such talent, wrote the following cursory note to their new author: "If we do not receive the manuscript within six months, we shall be obliged to commission another author Take Kleenex. Their tissues were first

marketed in the States to women as a cold cream remover in 1924, but people soon began using them instead of handkerchiefs. When Kleenex brought out a new Serv-a-

Tissue box, their jingle promised: "Kleenex Tissues are tike no oth

Out pops one, up pops another" which only goes to prove, it's not what you do, it's the way that you do it. And who was the first to put Camellia

Sinensis into a bag? Here's your answer, taken from an old copy of Practical Motorist and Motor Cyclist:

Motor cycling to Australia? If any reader is thinking of such a trip he is recommended to bear in mind the equipment used by Mr and Mrs Tex Ledger. Among other items are two rifles, one sub machine gun, two automatic pistols and a good supply of tea -in this particular case in the form of Tetley's

handy teabags." Nobody got between the Tex Ledgers and their morning cuppa that's for sure, But perhaps the most

Over 200m ten bags pour out of Zelevs evers week. widely used disposables

of the century are LRC Products' condoms. Britons buy well over 100m every

year and can only sympathise with the occasional Australian tourist who, familiar with a brand of adhesive tape marketed under the same name back home, asks for a roll of Durex.

The numbers game

In 1976, Terutoshi Ishige from Tokyo filed to patent a design for a puzzle which would have given the world . . . Ishige's Cube. Unfortunately for him, the Hungarian, Erno

Rubik beat bim to it. Or did he? An American high school teacher, William O. Gustafson can claim to have

invented the spherical forerunner of the Cube in 1958 -Gustafson's Globe. But the toy companies weren't interested.

Rubik's Cube is a success because it's much more than a puzzle. At first sight it's an impossibility

... What holds the thing together? What are the corners attached to? And how do I get out of

this mess?

Another inventor, Frank Fox, patented a 3 x 3 x 3 sphere in 1970. Being British, this was never heard of again.

> Very slowly is the answer. The makers claim the cube has over 3 billion combinations.

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UK NEWS

Economic data add to inflation fears

Unemployment down, but earnings growth hits 9%

THE REMARKABLE buoyancy of Britain's economy was nuderlined yesterday by a string of official indicators, but there were also signs of a fur-ther worsening in the inflation

orthook.

The Government reported a sharp fail to recorded unemployment to August, marking the 25th consecutive monthly decline and taking the official total down to its lowest since 1981. At the same time, official total activates rhowed a strong rise in

1981. At the same time, official returns showed a strong rise in industry'e investment spending, suggesting that companies are responding to rising demand for their products by expanding capacity.

Less encouragingly, the annual growth rate of average earnings jumped to 9 per cent in July, the fastest since 1982, and the Government confirmed a rapid widening in Britain's trade gap.

a rapid widening in Britain's trade gap.

The earnings figures intensified concern to financial markets that an expected rise in inflation over the next few months because of higher mortgage interest rates could be reinforced by increasing pay awards. Signs of a further acceleration in the growth rate of Mo, the Treasury's key indicator of the money supply, also cator of the money supply, also

prompted unease. Mr Nigel Lawson, the Chancellor, signalled earlier this

week that the August figures for retail price inflation, due today, will show a rise to well over 5 per cent from the 4.8 per cent seen in July. He also predicted another jump in October, although he insisted that the acceleration would mark only a "temporary blip".

The Government is concerned, however, that the acceleration could prompt industry to concede higher pay awards in the autumn pay round, in turn generating more sustained inflationary pressures in the economy.

sures in the economy.

Mr Norman Fowler, the

Employment Secretary, said that some of the upturn in earnings growth was attributable to higher overtime pay and honuses, but he added that excessive pay settlements would damage prospects for jobs

jobs.
Yesterday'e jobless figures, released by the Department of Employment, indicate that the eeesonally adjusted total of those eligible for unemployment benefit fell by 45,000 in August to 2.267m.
Mr Fowler said that Britain's jobless rate had fallen faster than in any industrialised economy over the past year and was now lower than in most European Community countries.

However, Mr Micheel

Meacher, Labour's employment spokesman, said falls in the total were mainly a reflection of changes in the composition

of changes in the composition of the statistics and that the true total was still close to 3m. Separately, the Department of Industry said that investment in manufacturing industry was 13 per cent higher in the second quarter of the year than in the comparable period of last year.

of last year.

Figures for the balance of payments, however, confirmed the sharp move into deficit this year, with the current account deficit for the first six months of 1988 pnt at £5.8bn compared with a surplus of nearly £500m in the first half of 1987.

UK financial markets barely reacted to most of the official figures, which were eeen as largely historical. Prices to the gilt-edged securities market did fall, however, after release of the Bank of England's weekly

This showed that the value of bank notes was 10 per cent higher in the second week of September than a year earlier, Bank notes represent 85 per cent of Mo, the narrow mea-sure of the money supply which the Treasury targets, and the current growth rate suggests that Mo is accelerat-ing.

Pay growth fastest since 1982

By Philip Stephens, Economics Correspondent

THE underlying pace of earnings growth in Britain has quickened to its fastest since 1982, with average earnings in the year to July rising by an annual 9 per cent against 8% per cent in June and 8% per cent at the start of the year. The acceleration, spread evenly across the manufacturing and service sectors, prompted a warning yesterday from Mr Norman Fowler, the Employment Secretary, that "excessive" pay awards could damage prospects for further falls in unemployment.

It also heightened concerns about the outlook for inflation,

bargainers not to use an expected quickening in the rate of retail price rises over coming months as provide an excuse for higher pay awards.

A number of big car makers face settlement talks over the next few months, while pressure for additional pay supplements in industries like banking and finance in the south east is expected to intensify. The latest rises in earnings, shown in official figures released by the Department of Employment, appear to reflect a combination of increased overtime and bonus payments and a general upward drift in the level of basic pay deals.

The number of hours of overtime worked in July rose to 13.74m against 12.49m in the same period a year earlier, but the Government's pay award to the nurses also contributed to the acceleration.

However, for the moment at least, much of effect of rapid earnings growth on the costs of manufacturing industry is being offset by rapid rises in output and productivity. Figures released earlier this week show manufacturing output rising at an annual rate of about 6% per cent, while proabout 6% per cent, while pro-ductivity gains have been aver-aging around 7 per cent.

An anniversary to forget

Ralph Atkins on 13 years of high unemployment Unemployment

ELEBRATIONS are unlikely as Britain this month marks the 13th ment figure over the million mark. Joblessness remains an unwelcome scar on the UK's economic performance. Not since September 1975

have official figures measured unemployment simply in hun-dreds of thousands. Today's Department of Employment figures for August showed a fall in unemployment — yet the total still exceeded 2m.

Since its peak of 3.2m in July 1986, seasonally adjusted unemployment (excluding school leavers) has dropped steadily to about 2.3m, or 8.2 per cent of the workforce A per cent of the workforce. A healthy fall, perhaps; but the figure is still historically high. The decline takes account of changes in the method of mea-suring unemployment. Without doubt, it also reflects in part the exceptional pace of UK eco-nomic growth. Bnoyant demand is persuading compa-nies to take on more people from the job queues, or so the government hrief might inter-

pret the trend.

However, tha figures still require a health warning. First, they measure unemployment simply as those claiming unemployment benefit.

If a person is actively seek-ing work but is not entitled to or does not claim benefit, he or she is not officially listed as unemployed. Second, they do not take account of the effects of tightening tests of availabil-ity for work.

Indeed, many argue that the fall is far less than official figures show. For example, the Employment Institute has said that measuring unemployment as the labour force minus employment produces a much smaller drop. The Department of Employment counters that that is misleading because measures of the labour force are based largely on approxi-

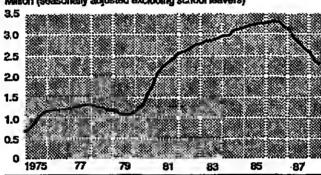
For all the arguments over the figures, few would dispute that unemployment is on the way down. A more important question – and more difficult to answer – is where it goes

Recent falls have coincided Recent falls have coincided with two years when the UK economy has grown by about 4 per cent a year. If growth slows down in the 1990s, as is widely expected, the declining trend may peter out.

The high level of unemployment suggests that its causes in the early part of the decade are proving irreversible. In the first years of Mrs Margaret Thatcher's premiership, strict monetary controls against a

monetary controls against a background of oil price rises and worldwide recession are

Million (seasonally adjusted excluding school leavers)



widely blamed for the big shake-out in industry. Unemployment rose from a low of 1.1m in September 1979 to more than 3m by 1986.

The economic ontlook is much roster today, although the rise in unemployment between 1979 and 1986 has been only slightly mitigated. On the other hand, the Government can fairly arrays that further can fairly argue that further improvement in the labour market may have been dis-

guised for two reasons.

First, the effect of time lags: not surprisingly, the economic topswing appears to have been demand-led. Factories have tesponded to increased demand from consumers by increasing output, rather than the other way round. This year the UK is enjoying a massive investment surge, which might increase

future employment.
Second, demographic trends
were unfavourable in the early were unfavourable in the early 1980s. There was a big rise in the size of the working population, especially in the group under 25, where unemployment rates tend to be higher.

Looking into the 1990s, demographic trends will be more accommodating. Department of Employment projections show the labour force increasing at an annual rate of 0.3 per cent to the next seven

0.8 per cent to the next seven years compared with 0.7 per cent between 1981 and 1987.

When, then, will unemployment fall below Im again? It is ment fall below im again; it is unwise to be too optimistic. Simulations by the Ernst & Whinney Independent Trea-sury Economic Modelling Club suggest such good news may be delayed until well into the 1990s at the earliest.

The results indicate that unemployment will indeed fail tinemployment will indeed fall to future years. On the optimistic assumption of 3 per cent growth a year, memployment would fall to 2.2m next year and to 1.4m to 1982.

However, the conclusions are sensitive to the assumptions of the conclusions are sensitive to the assumptions.

tions made. For instance, they assume a fall in the rate of increase in earnings - which seems unlikely if the economy continues to grow at such a fast pace. If manufacturing earnings growth is held at 9

per cent a year, unemployment fails to only 1.6m in 1992.

Moreover, to expect 3 per cent annual growth may be unrealistic. Fast growth is already leading to a big trade deficit, which would worsen if growth were to continue at such a pace. The Government would almost certainly be forced to act to slow activity.

Taking account of those fac-

Taking account of those factors, unemployment may scarcely fall below 2m before the middle of the next decade.

This may seem gloomy, but there are good economic explanations to suggest that it is not unreasonable. The link between economic growth and

between economic growth and job creation is far from clear.

A rise in output can be achieved by increasing productivity as well as by increasing employment. Productivity has been rising steeply recently but much of the benefit in terms of lower labour costs. terms of lower labour costs; (and therefore more jobs) has been absorbed by higher earn-ings for those in work. That is due to wage rigidity,

or more precisely, downward wage rigidity. Whereas earnings tend to rise quickly when labour is in short supply, high unemployment has not pro-duced the reverse effect.

Some government supporters would blame that on the strength of unions, which they say are concerned mainly with the interests of members in

employment.
Similarly, there is frequently a mismatch between the unemployed and vacancies. Jobs lost in manufacturing industry, for instance, have mainly been full-time and filled by males. full-time and filled by males. The rise in service industry employment has often been of females working part-time.

Government training and job-creation schemes may help to ease such structural difficulties. ties. But it might be a long time before this worthy aim succeeds in bringing employ-ment back once more to the

Minister abolishes training commission

By Charles Leadbeater. Labour Correspondent

MR Norman Fowler, Employment Secretary, yester-day abolished the 10-strong governing body of the Train-ing Commission, the Govern-ment's job training agency, and amounced plans to abol-ish the Commission itself.

The move ends the last forum through which the TUC and Confederation of British Industry jointly exerted some control over important aspects of Government policy.

It foreshadows a fundamen training policy to be detailed in a White Paper policy docu-ment to be published in November.

The White Paper will establish a new central agency to co-ordinate training provision in co-operation with local training bodies, which will have considerable powers to organise training and job creation initiatives. ation initiatives.

Employers are likely to have a majority of seats on the governing bodies of these local organisatione, which may have much of the Training Commission's \$3.1bm.a year budget devolved to them.

The decision marks a watershed in Government policy-making. The Training Com-mission was set up in 1974 as the Manpower Services Com-mission and formed part of the tripartite policymaking machinery, involving the TUC, the CBI, and Government, which successive post-war gov-ernments were committed to.

It oversaw programmes for young people, unemployed adults, as well as vocational, education, in schools, colleges and universities. shed in Government policy-

and universities.
Its governing hody was made up of three TUC nominees, three CBI commissioners, two local authority repre-sentatives, an educationalist and a part-time chairman.

It will be replaced in the short term by an agency within the Department of Employment, which will work directly to Mr. Fowler. The agency will be responsible for running the Training Commission's programmes until it is replaced.

Mr Fowler said the policy-making governing body had to be abolished after the TUC's vote last week to boycott the Government's recently launched Employment Train-ing programme for the adult unemployed. The programme, with an annual budget of £1.5bn to provide an average of six months training for 600,000 adults a year, is the commission's largest project.

Mr Fowler said it would be impossible for the TUC's commissioners to take responsibili-

missioners to take responsibility for a major programme to which the TUC was opposed.

He said he hoped individual unions would continue to cooperate locally with Employment Training and other programmes. Unions will be invited to participate in the invited to participate in the local bodies to be established by the White Paper.

IRA relatives plan civil action against Ministry of Defence

RELATIVES of Irieh Republican Army members shot dead by the SAS in Gibral-tar last Merch are planning to

tar last March are planning to take civil action against the Ministry of Defence in the Northern Ireland courts, the brother of one of the dead said yesterday.

Mr Niell Farrell, the brother of Miss Mairead Farrell, one of the terrorist gang, said outside the court after the SAS soldiers had finished their evidence: "I think the evidence has shown clearly that they (the IRA trio) were murdered."

Mr Farrell was speaking

Mr Farrell was speaking after the inquest heard that the seven-strong SAS squad had decided to attend the Gibraltar inquest because, as one of the soldiers said yesterday: "We

soldiers said yesterday: "We wanted to give our evidence to put the story right."

The SAS man, identified as Soldier D, made the unexpected statement at the end of his cross-examination. He said: "All the soldiers, from A to G, have come here because we wanted to. We were not told to come here, we were not pressganged. We wanted to give our

avidence to put the story

avidence to put the story right."

Earlier, describing his part in the killings of the three IRA members — Mr Sean Savage, Mr Daniel McCann and Miss Mairead Farrell — Soldier D said he had to push a woman passer-by out of the way as he took aim at Mr Savage, who he and Soldier C had been moving in to arrest.

He said his partner had shouted "stop" before they opened fire as the IRA man spun round with his hand noving to his jacket pocket. Soldier D said he fired nine rounds at Mr Savage from two metres.

Mr Savage from two metres.

He denied putting his foot on the terrorist and firing into the body on the ground, or that the attack had been frenzied, as had been euggested by a pathologist in earlier evidence.

At one etage Mr Paddy McCrory, representing the families of the IRA members, said to Soldier D: "I euggest you appointed yourself Lord High executioner of Mr Savage?" The soldier replied: "That is definitely not true."

MP defies unity call by SLD leadership

MR DAVID ALTON, the Social and Liberal Democrat MP, last night defied appeals from party leaders for unity and con-firmed that he would refuse to accept a House of Commons portfolio under Mr Paddy Ash-down, the SLD leader.

down, the SLD leader.

Mr Alton said he could not give Mr Ashdown the loyalty required of a fronthench spokesman, because of disagreements with the party leader in key strategy areas.

His comments come only 24 hours after Mr Ian Wrigglesworth, the SLD president, called for a "maximum display of loyalty" from party members, particularly the 18 MPs, at the party's first conference in Blackpool later this month. Mr Alton, speaking on BBC Radio, said he had two main objections to Mr Ashdown's strategy.

Liberal from the title amounted to a betrayal of former Liberals, Mr Alton said.
Second, Mr Alton said it was "an act of futility" to talk in terms of destroying the Social Democrat Party, led by Dr David Owen. It was Mr Ashdown's refusal to contemplate electoral pacts with the SDP that led to Mr Alton's resignation as the party's Northern tion as the party's Northern Ireland spokesman last month. Mr Alton accused Mr Ash-down of leading the party on a course that could result in "electoral spicide" by ruling out co-operation with the SDP.

His comments make it even more likely that internal disagreements will overshadow the conference, in spite of appeals from the leadership Other SLD MPs, including Mr Geraint Howells, the Welsh First, he opposed the proposals, favoured by Mr Ashdown, for the party to be called the Democrats. To drop the word to serve Under Mr Ashdown. MP who was Mr Alan Beith's campeign manager during the leadership contest in July, are

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Thatcher to speak on future of Europe

By Peter Riddell, Political Editor

MRS Margaret Thatcher, the Prime Minister, will next week set out the most comprehen will reflect the spirit if not the sive statement so far of the British Government's views on the future development of the

European Community.

She is expected to explain in detail the British position on the creation of the internal European market after 1992, including the strong UK objections to the creation of a European central bank and to com-munity proposals to harmonise indirect taxes, including value

added tax. Her speech, during a brief visit to Belgium before she goes to Luxembourg and Spain, will be her first major statement on Community affairs made on the Continent for two

Her intention is apparently to pull together recent state-ments to make clear the British view before a series of council of ministers' meetings this autumn which will con-sider the implications of the internal market commitment. There are not expected to be

words, of recent BBC radion interview. She used that occa-sion to criticise strongly the approach of Mr Jacques Delors, the president of the Commission, after he had talked about a majority of decisions being taken at a Community level rather than by national parlia-

Mrs Thatcher will set out what she sees as the positive steps Britain has taken towards the creation of a freer internal market by, for example, removing exchange controls, and will argue for a market-based approach to the creation of the internal mar-

As the Treasury made plain in a detailed submission to the Council of Ministers published last week, the British Govern-ment is not only opposed to the harmonisation of indirect taxes but also favours the retention of some border controls to deal with terrorism and with drug

Unichem share scheme 'unfair'

vices to its customers.

A CONTROVERSIAL share incentive scheme introduced by UniChem, the pharmaceutical wholesaler owned by independent chemists, is anti-competitive, the Office of Fair Trading has ruled.

(This is the conclusion to an

This is the conclusion to an investigation under the Competition Act 1980 which was opened in May after numerous complaints from Unichem's compatitors. UniChem rejected the findings, and it now seems likely that the scheme will be referred to the Monopolies and Margers Commission. Under the scheme, chemists are offered bonus chares linked

are offered bonus chares linked to the level of business placed with UniChem. The shares are sold at £1 compared to a price of at least £12 which UniChem claims they will fetch when it discards its unusual status as a friendly society and seeks a stock-exchange listing in 1990. The OFT said that the scheme distorts competition in

scheme distorts competition in that it has enabled Unichem to win a greater chare of the £1.5bn market, not by cutting its prices or improving its serInstead, the OFT found, "new business is being bought with discounts largely financed ont of the share capital of existing members."

UniChem took issue with the

UniChem took issue with the OFT's conclusions. "We do not believe that the the scheme is anti-competitive," said Mr Peter Dodd, UniChem'e chief executive. He claimed that it was incorrect to suggest that the co-operative had not increased its efficiency, saying that the unit cost of distribution is automatically improved as business increases."

Unless Unichem offers an undertaking to remove the anti-competitive element of the scheme, Sir Gordon Borrie, director-general of fair trading, will refer the matter to the Monopolies and Mergers Commission.

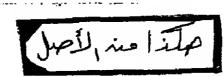
Monopolies and Mergers Commission.

If the commission confirms the OFT's findings, Lord Young, Secretary of State for Trade and industry, has powers to prohibit the scheme, or to remedy any damaging effects. This could mean pro-

hibiting the allocation of shares in Unichem as planned. Mr Dodd said that he was confident that UniChem could prove to the MMC was neither anti-competitive nor against the public interest. In the meantime, the scheme will continue, with the first alloca-tion of shares scheduled for January next year.

The scheme, introduced in The scheme, introduced in January this year, soon provoked howls of protest from Unichem's principal competitors, AAH and Macarthy, two listed companies. Both greeted the OFT decision with giee, and AAH and that it would and AAH said that it would now seek damages from Uni-Chem under the Treaty of Rome, a course of action already being pursued by Macarthy

From Unichem's point of view, the scheme has been a great success, fuelling sales growth in a static market. Unichem has forecast that it will



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THE PROPERTY MARKET

William Cochrane looks at the growth and specialisation of independent property researchers

Children of the prosperous 1980s

sold and ditched, commercial property is still growing fast and the once-humble researcher is in high demand. Information is now seen as a key resource in the industry.

Only this week agents Healey & Baker said that their managed funds were showing annualised overall returns either side of 30 per cent, and that there were no signs yet of result. These four are:

Applied Property Research, one of the prime sources on the Central London office market;
CACI, which has a division providing demographic infor-mation on urban areas and that there were no signs yet of mation on uroan areas and retail location analyses;

Investment Property Databank, particularly strong in portfolio and performanca analysis, and market indices;

Property Intelligence, whose FOCUS on-line databases and as a system of metarental growth slowing down. Thus encouraged, developers have been looking at complex or unusual deals; institutional investors are demanding more information; and the banks are asking for detailed facts to

nlike London's hollow equity market, where lack of vol-ume has left individ-

uals and firms being bought sold and ditched, commercial

back their acceptance of risk.
Property research, which
started in a stock market context in the 1960s and then bases act as a system of reference for commercial property.
Michael Nicholson, managing director of Property Intelligence, left agents Knight Frank & Rutley at the begin-ning of 1984 to bring out the FOCUS datsbase. A chartered surveyor, he thinks that the spread to major firms of char-tered surveyors, has shown exponential growth in volume and depth in the 1980s. Agents hava turned themselves into researchers and recruited from halls of learning or from insti-tutional investors. In their agent's job is first to exercise expertise in making judge-ments and decisions, and secondly to collect information.
"In the 'old days' the aurveyor spent a lot of time collecting information, and less on decision making." he says, turn, they have been plundered hy stockhroking firms or banks. And some of their best talent has gone out on its own. Today, the top independents are highly rated, and keen to concentrate on what they do "but at that time nobody had annual revaluations, rent reviews were once in a blue best. This has prompted four of the leading independent datsmoon and the complexity of moon and the complexity of today's property investment deals would be inconceivable." Now, he says, they are in a classic two-way squeeze, needbase and consultancy companies to enter an informal asso-ciation. They ignore minor areas of overlap and say that









"People used to be interested in 'comparables' – effectively precedent on rent and value – an agreed takeover bid earlier this summer by Rosehaugh, the kingpin of Central London office development.

Rosehaugh, jointly with Stanhope, is shifting its sights from the massive, £2bn Broadgate office complex on the City of London 'fringe' — regarded as high risk before Big Bang — to the even more ambitious, and chancy-looking £5bn redeevidence of transactions and in ownership," be elahorates. "Surveyors were happy with that level of input for quite a long time. Then people said there's more, much more: pro-spective tenant demand, exist-

was moving from the past and into the future. "The shift was pretty crucial." Geoff Marsh exemplifies the move, and the rewards it can hring. Having set up CLOR (Central London Office Research) for top agents Jones Lang Wootton, he left them in 1984 to found APR, took an

ing and potential supply, rela-tive portfolio performance." Research, says Mr Nicholson,

exploiting his own database and found himself the target of an agreed takeover bid earlier

and chancy-looking £6bn rede-velopment of the railway lands behind king's Cross station in north London. This reduces the potential embarrassment for Mr Marsh of taking, and maintaining, a bearish stance on City of London occupational prospects — for he is much happier about prospects for West End offices and, given

limited supply there, the pros-pects for decentralisation. In fact, he is very happy about his new parent. "Not a aingle constraint has heen imposed on us that we didn't have before," he declares. He aims to keep his information business growing "to pay the hills", and to go more into the interpretation of information.

This, the consultancy end, is likely to gravitate towards

work for Rosehaugh which, he says, "is the ideal vehicle for

the type of analysis which I

want to do He implies that Rosehaugh wanted him and his company to reinforce what was already deep-rooted in the group — "combining the exploitation of day to day opportunities with long-term strategy." He thinks that Rosehaugh should be per-ceived not as a property com-pany but as one which under-

stands the role of property in generating profits.

Rupert Nabarro founded the Investment Property Databank in 1985. Sponsored by six highechelon firms of chartered surveyors, IPD now has a record of ahout 10,000 properties worth some £20bn — more than double last year's monetary figure and, he muses, "not far from half of the total property market."

Ha provides major property indices, portfolio analysis and investment research and

inveatment research and knows, he says, IPD's strengths and weaknesses. "We're good at rents, yields, and how much investment is going on," he says. "We're not

ement appears as a matter of record only

so good at listing planning per-missions, rental deals and development starts, and that's where the link with FOCUS, and the others, comes in.

He offers an example. English Estates, the government-sponsored developer of industrial estates which has been moving into broader pastures in recent years, wanted a national overview of the investment and developmant markets to judge when to dispose of some of its properties. Individual chartered surveyors, says Mr Nabarro, were found to have limited information in such an extensive context. such an extensive context.

"We churned onr database for rents, yields and the recent-pattern of rental growth," he says. "This pointed up the prosperous areas, like tha South East, and very depressed areas like Merseyside and Scotland, but it also picked out a middle bank of rental growth in the east Midlands, through Northamptonshire as far north-west as Greater Manchester where the market was beginning to move " eginning to move.

"We didn't have a picture of how much investment was going on so we searched the FOCUS database; we saw fantastic development in the south but very little in the middle bank and, therefore, considerable opportunities for rental growth there in the next 18 nonths."

The fourth participant, CACI is a US-quoted company with offices in Washington DC, New Tork, Los Angeles, London and Edinhurgh, and is much sigger than the other three with a total of some 100 professional staff. Its property group comprises two consultants, and 10 to 12 hack-up-staff, sax one of the consulstaff, sas one of the consul-tants, Di Yvonne Court

The goup is based on the retail trale and the supply of quantitative data but Dr Court says that t, too, has been able to move nto consultancy via feasibility and impact studies for major etail schemes, serv-ing developers and institu-tional invetors. CACI's closeness to poulation trends has allowed it o diversify a little. "we have wrked with residen-tial agents and volume house-huilders," says Dr Court — and at present i is developing an out of town latchese. out of town latabase.

What will appen to CACI if someone put the hid on retail spending? Ideed, what will happen to idependent property research a child of the prosperous 180s, if the econ-omy really turns sour? Researchers n past stock exchange bearmarkets found themselves uwanted when their paymaste; lost interest in investment athmetic.

Dr Court say that CACTs experience of th early 1980s, an uncomfortabl time for the retail market, wathat customers needed the dia even more. For the rest, thakfully, property is a long ten business.

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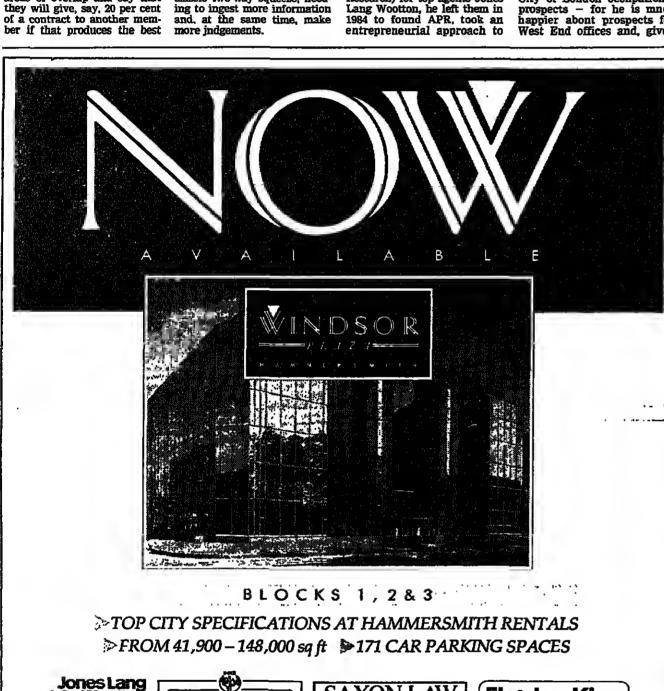
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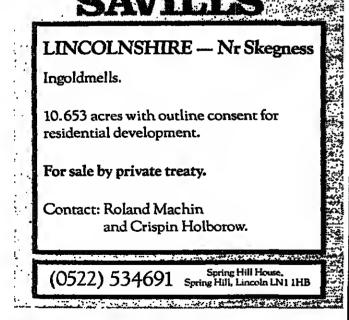
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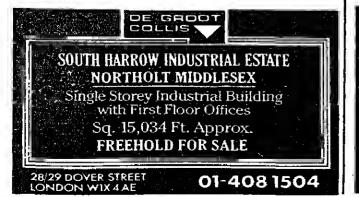


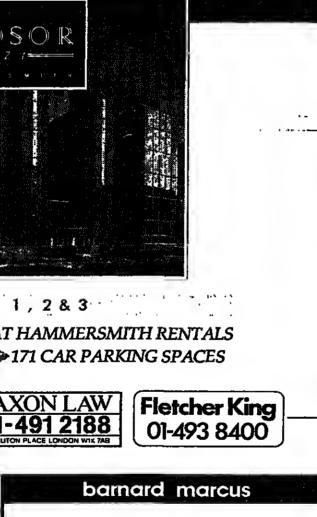


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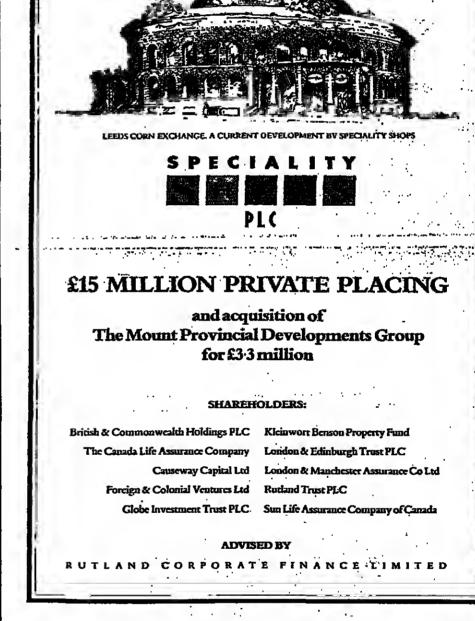
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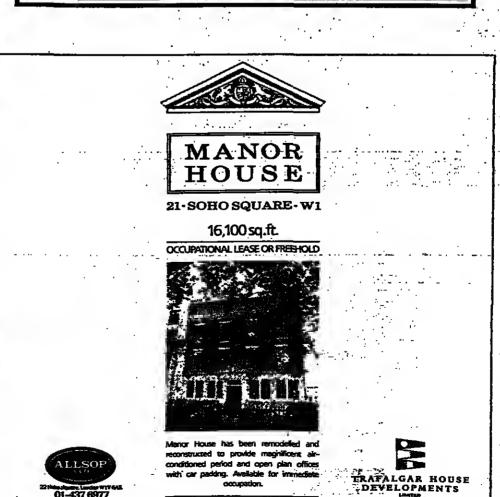
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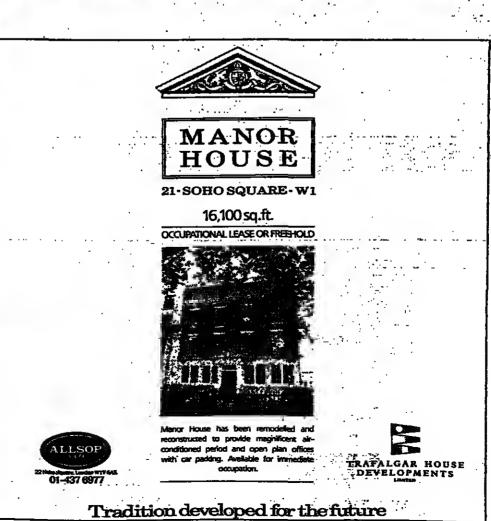
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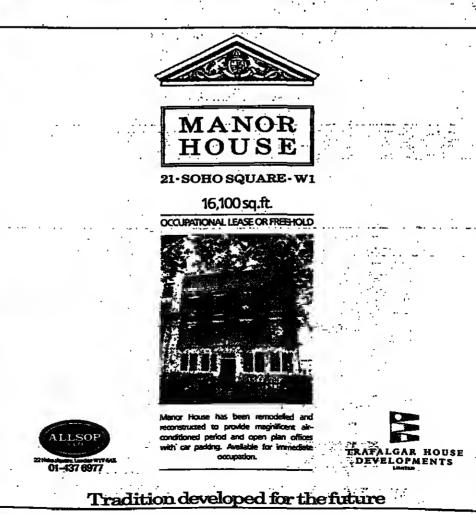
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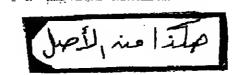
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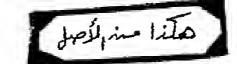














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For a full editorial synopsis and advertisement details, please contact:

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FINANCIAL TIMES

INTERNATIONAL PROPERTY



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COMPANY NOTICES

NOTICE OF ANNUAL GENERAL MEETING MID WYND INTERNATIONAL INVESTMENT TRUST PLC

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Mid Wynd International Investment Trust PLC will be held at the offices of Arthur Young, City House, 16 Overgate, Dundee, on Thursday, 29th September 1988 at 11.00 a.m. for the following purposes:

To approve the Accounts of the Company for the year to 30th June 1988 with the reports of the directors and of the auditors thereon, and to declare a final dividend.

To re-elect directors.

To re-appoint Arthur Young as auditors.

To authorise the directors to fix the remuneration of the

By order of the Board. BAILLIE GIFFORD & CO.

Managers and Secretaries
3 Glenfinlas Street, Edinburgh EH3 6YY 2nd September 1988

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a member of the Company.

2. Only holders of ordinary shares are entitled to attend or be represented at the meeting.

3. No director has a contract of service with the Company.

A copy of this Notice was enclosed with the Annual Report and Accounts of the Company for 1988 which was posted to shareholders oo 2nd September 1988. In view of the postal strike we have placed this advertisement to draw shareholders' attention to the place, date and time of the Annual General Meeting. Copies of the Annual Report and Accounts may be obtained from the Company's registered office at 3 Glenfinlas Street, Edinburgh EH3 6YY.

BAILLIE GIFFORD & CO., 12th September 1988

To he Holders of Warrants eribe for sheres of conteon (ISCHMEN CORPORATION

flacued in conjunction with an laune by the Company of U.S.550,000,000 2% per cent. Generalised Notes Due 1591)

NOTICE OF FREE DISTRIBUTION OF SHARES AND

Pursuant to Clause 4 (A) and (B) of the instrument dated 14th May, 1985 under which the above described Warrants were issued, notice is hereby given that on 13th September, 1985 the Board of Directors of the Company resolved a free distribution of shares of common stock of the Company at the rate of 0.05 share for each one share to be chareholders of record as of 30th September, 1985.

As a result of such distribution, the Subscrip-tion Prior is which shares are sensus exem-gencies of the Warrants will be adjusted in accordance with Clause 3 of the Instrument from Yen 335 to Yen 321.90 with effect from 1st Catober. 1885.

NICHIMEN CORPORATION

[By: The Server Bank, Lumited
as Principal Paying Agen

Detad: 16th September, 1988

To the Holders of Warrents MICHINEN CORPORATION

(issued in conjunction with an lague by the Company of U.S.\$160,000,000 4 per cent. Guaranteed Notes Day 1993

NOTICE OF PREE DISTRIBUTION OF

SHARES AND ADJUSTMENT OF SUBSCRIPTION PRICE

Pursuant to Clause 4 (A) and (B) of the instrument dated 11th Mey, 1988 under which the above described Warrants were issued, notice is hereby given that on 13th September, 1988 the Bloard of Directors of the Company resolved a fine distribution of shares of common stock of the Company at the rais of 0.05 share for each one share to its share-holders of rocord as of 30th September, 1988.

As a result of such distribution, the Sunscription Price at which shares are issuable upon exercise of the Warrants will be adjusted in accordance with Clause 3 of the firstrument from Yen 506 to Yen 481 90 with effect from 1st Octuber, 1988.

NICHIMEN CORPORATION (By: The Sarrwa Bank, Limited as Principal Paying Agent) Dated: 16th September, 1988.

MANAGEMENT

The sight of an appar ently respectable exec-utive dressing up as a vicar in the loo brought it bome that this was not just any old trade fair. In the main hall outside, a dozen hoiler coocerns were pressing their wares on potential huyers. The vicar plunged into elaborate negotiations. "Tm part of a boiler-buying cooperative and I need to heat a very large church," he said implausibly.

At the next stall, a lady

At the oext stall, a lady looking for all the world like a Freoch tart was anticipating the transactions to be expected in 1992. "Combiec de boilers avez-vous?" – "Nous avons soixante," came the balting

reply.

Meanwhile, I was trying to explain that I wasn't fully hriefed on the FT's need for boilers, but it might well be substantial

Other than the motley nature of the buyers, two things stood out about this trade fair. First, the sellers were going about their busi-oess with a verve wondrous to behold. And second, a no doubt related point, there were only a handful of sellers aged over 18. For, as the reader will have guessed, this was a managemeot training exercise, not a real trade fair. But it was management training with a differ eoce: the participants were sixth-formers.

They had gathered from all over the country at Sundridge Park Management Centre in Bromley, Keot, for an Insight into Management coorse organised by the Careera Research and Advisory Centre (CRAC), a Cambridge-based educational charlty which aims to develop links between the world of education and employment. CRAC's insight courses, some for undergraduates, others for sixth-formers, have been honed over 10 years. The Sundridge Park course

consisted of three groups of people. There were about a dozen tutors, drawn from companies as diverse as Peat Marwick McLintock, IBM, Marks and Spencer and United Biscuits. There were another dozen young managers sec-onded from organisations like BP, Mecca, Pedigree Petfoods and the army. Then there were the sixth-formers, about 65 of them on this course, who paid £69 for the three-and-a-half day course, with their local education authority often picking up

Throughout the course, the tutors put on a stream of case studies for the sixth-formers, covering personnel, marketing, production, entrepreneurship Management training

Tarts and vicars at a trade fair

David Thomas visits a course at which sixth-formers meet young executives



Sundridge Park students play the business game

another was £115,000 in the

red. But Colin Taylor, tha course director, reckoned the

sixth-formers learnt as much

from making mistakes as from

Taylor, a brand manager for

Nestlé in the UK when he isn't

pretending to be a vicar, is a

veteran of the CRAC sixth-

form course. He believes com-

panies get a fine return from

seconding their managers to it.
"We think we gain as much as

There is the chance to under-

stand bow young people on the verge of a career are thinking,

not always easy for managers

hidden away in large organisa-tions. There is the battery-re-

charging impact of being with a gang of enthusiastic sixth-formers. And there is the char-

acter-building effect of leader-ship for middle-ranking or, in

the case of the young manag-

ation where I was forced to

guide a group rather than try to take control," explained

Martin Davis, a young man-ager from Ford.

And the event is fun -

never more so than at the

Tve never been in a situ-

ers, junior executives.

choosing the right directions.

and public administration. The students were given help with interviewing techniques and were free to talk to the young managers, who had typically spent a couple of years with their employers and were chosen to represent a variety of

But the thread running through the three-and-a-half days was the business game the Metal Box game, well known on the management training circuit.

The sixth-formers, split into about a dozen groups, formed themselves into boiler concerns and duly appointed a managing director and functional directors.

Each company, guided by one of the young managers, started with the same data and resources, including capital, and then made a string of decisions with the help of tools snch as computers. Their financial impact on materials, work in progress, finished goods and so on, was duly recorded on a quarterly state-

By the end of the 13th quar-ter, one of the boiler companies was £11,000 in the black, while

trade fair, the culmination of the course, where the sixth-formers try to sell their boilers. Some of the tutors entered into the spirit by dressing as the purchaser they were supposed to be hence the vicar and the

Others were hriefed to try to waste the sellers' time, rather than to buy boilers. "But the sixth-formers have been told to watch out for time-wasters, and they've heen told to he especially careful of journal-ists," Taylor said reassuringly. The sixth-formers had con structed elaborate stands, with

neat handouts and carefully worked out special offers, although the company calling itself Arthur Daly boilers, after the TV conman character, probably should have hired a fferent image consultant. All of them, however, including the jokers from Arthur Daly, launched themselves on the hayers with a will.

The course helped some of the sixth-formers become more confident. "You learn to co-operate. When I first came I was quite apprehensive about putting ideas across. You learn to organise yourself better," explained Catherine Gundry from Bristol.

It was a chance for others to learn about management func-tions they had barely heard off. Liz Mannes, a technical man-ager with Cadbury Schweppes, said many of the sixth-formers were showing an interest in production management.

For others still, the course clarified what they wanted to avoid. Ian Dunn, the son of a senior Plessey executive and a sixth-former from Swindon, said he had decided he would like to work in a non-manage rial area, such as design, for a few years before considering whether to go into manage

For nearly all of the course, it belped dispel the remote and grey image which working in husiness and industry often has for sixth-formers.

And lurking among the sixth-formers at Sundridge Park was at least one person with the potential to become a captain of British industry. Consider this extract from the shareholders' report of one of the boiler companies:

"The actual performance of the company is not yet up to the expected standard but I am sure that over the next 12 months it will improve. This is a harsh market at the present time as some of our competi-tors have found." Most real-life chairmen

would be proud of this judicioue mixture of bombast, aggression and evasion.

Accountancy

Balancing national interests

Richard Waters reports on BDO's hopes for its restructuring

oom Norton is an expert oo the high wire. As managing partner of Binder Hamlyn, an accountancy firm just ontside the profession's dominant Big Eight, he has years of experience of managing a delicate halancing activology hetween the interests of ohn Norton is an expert ing between the interests of rival groups of partners.

Norton, who has all the charm of an accomplished dip-lomat, is now about to test his considerable skills in the international arena. This change of role signals a rethink in the BDO, the international accountancy group of which Binder Hamlyn is the UK arm.

BDO was formed 25 years ago as a loose federation of

national accountancy firms. Ten years later a restructuring hrought its five founding mem ber firms closer together, and saw the introduction of an international executive coun-

Last week it took an important third etep hy moving beyond the club approach; a full-time international team has been created to drive the firm forward.

There is also a drive to raise the international profile of the groop. Each national partnership has adopted the international name in combination with its own — BDO Binder Hamlyn in the UK, BDO Seldman in the US, and so on.

The name of the interna-

tional firm, confusingly, has been changed to BDO Binder. This is partly a necessity; to sign andit reports on interna-tional work the firm needs to use a full name rather than an acronym (which is not accepted by regulators). BDO Binder knows all about

BDO Binder knows all about the need for a higher interna-tional image. Its loss of key UK audit clients Reuters and Red-land two years ago betrayed both its lack of international coverage and the lack of weight behind its name. Both of these companies opted for Price Waterhouse.

Other large clients, including United Newspapers, Moun-tleigh and British Land, have stayed with the firm. But the move to raise its profile is an attempt to etem what Big Eight competitors see as an inevitable haemorrhaging of hine-chip clients from firms outside their elite club. The image changes coincide

with a etructural reorganisation. All national member firms have become shareholders in an umbrella organisa-tion, registered in the Netherlands. This private company will report annually to its members, who elect a policy board to run their international affairs.

Reporting to the policy board is a new chief operating officer, based in Brussels. This person has a budget of approaching \$1m to help manage the international firm and the flow of

The changes at BDO, though echoing moves at other firms, differ in one respect BDO is out to make a virtue of its diverse national roots. In Norton's words, it is a multina-

in Record Management Quar-

fection in records management

is not asking too much; adapts

Asserts that demanding per-

terly (US), Oct 87 (7 pages)

tional firm rather than an mernational one.
Part of the test of this is its rejection of profit sharing between national firms.

The advocates of profit sharing say that it brings a net-work closer together, partners in one area have an incentive to refer clients to another and the overall profitability of the firm benefits as a result.

Profit sharing has made

steady headway in national firms, many of which were formed out of a collection of local partnerships. The exten-sion of profit sharing to international groups is now seen by many as the issue of the next

The creation of Enropean regional profit pools is likely to be the first step, as firms con-template hinding their national operations more tightly

together.
Norton is a firm opponent of profit charing. BDO Binder Hamlyn avoided it while he was national managing partner in the UK, and BDO is likely to avoid it as long as he is chair-man of its policy board. His arguments run as fol-

lows. Knowing that they have a cushion of financial support makes partners less energetic. Companies operating internationally share profits among national husiness units to motivata local staff, so wby should eccountancy firms differ? (This argument ignores the fact that companies still ultimately pay dividends to their shareholders out of group

profits.)
The thinking is extended to

the management of national firms. The current orthodox theory in the accountancy pro-fession is that executives should have more power to control the international destiny of their firms. Clients want a consistent international service, and so their accountants should run their busi-nesses internationally. National control is giving way to international control.

Ruhhish, says Norton. A firm'e strength is its closeness to its local market. Why give this up in the interests of a single international culture— which all too often means

Anglo-Americanism?
There is an element of opportunism in this. BDO has strong continental European firms in its network, principally in West Germany and France, and wants to make the most of its background while allowing each firm to feel it controls its

own destiny.
Paradoxically, this may not ba tha best way of holding together an international firm.
Last year Dijker an Doornbos,
the Dutch member of BDO,
defected to Price Waterbouse, which makes no pretence of its desire for central international control.

Norton has his work cut out if he is to hold the firm together and enhance its international standing while at the same time recognising the national aspirations of his fellow partners. His consolation is that every other international accountancy firm faces the sama challenges, to a greater or lesser extent.

Management abstracts

Purchasing and profit: contributions worth measuring. K. Beidelman in Journal of Purchasing and Materials Management (US), Autumn 87 (8

Reports on how to have profit programmes and track cost savings in a purchasing department, not - it seems in order to contribute to overall results, but to demonstrate to "upper management" that the purchasing department is a profit centre rather than a cost Try a little TCQC. G.B. Pennix

Japanese quality control con-cepts and some from the zero-defects technique to create a new process for specifying what is required to meet customer expectations, diagnosing

what is wrong (with the aid of process charts), and taking corrective action; draws on the successful experiences of Hewlett-Packard. The survival of in-house training. D. White in Training & Development (UK) Dec 87 (2

Outlines a strengths, oppor-

tunities, threets analysis (SWOT) of in-house training, shows how an in-house department can make itself indispensable, through reviewing its mission, vision and strategic goals, and by concentrating on marketing and selling its resource, helping the organisa-tion to identify the contribution of training and staff devel-opment, and becoming expert in specific development activi-

Intelligent buildings: Xerox model for copying? J. Creig in the Information Technology supplement to The Architects Journal (UK) Apr 20 88 (4

Profiles Rank Xerox's headquarters huilding at Marlow, "sympathetic to the surrounding countryside", with open and closed office space, and staff services, such as a gym. Concentrates on the three integrated systems: husiness; com-munications; building control Questions whether it really is an integrated, intelligent build-ing: "an interesting, if slightly safe, exploitation of...technol-

These abstracts are condensed from the abstracting hoursels published by Anhar Management Publications, Licensed copies of the original articles may be obtained at a cost of 64 sech (Industing VAT and p+p; cash with order) from Anhar, FO Box 23, Wanabley HAS SOL.

WEST GERMANY

The Financial Times proposes to publish this survey on: Monday, 31st October 1988

For a full editorial synopsis and advertisement details, please contact:

Birgit Schilbe on Frankfort (869) 75980

Financial Times (Germany Advertising) Ltd. Guiollettstrasse 54 D-6000 Frankfort am Maia 1 Telex: 416193 Fax: Frankfurt (069) 722677

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FINANCIAL TIMES

The Dow Chemical Company £300,000,000

Zero Coupon Notes Due May 30, 1997 (the "Notes")

To the Holders of

NOTICE IS HEREBY GIVEN that The Dow Chemical Company (the "Company") has received a notice of resignation from The Royal Bank and Trust Company, as Trustee, under the Trust Indenture and Paying Agency Agreement dated as of May 30, 1985 (the "Indenture"), such resignation to be effective April 28, 1988. NOTICE IS HEREBY FURTHER GIVEN that pursuant to Service 6 (20) of the Indenture the Company to account the NOTICE IS HEREBY FURTHER GIVEN that pursuant to Section 6.09(a) of the Indenture, the Company has appointed Bankers Trust Company, a New York banking corporation, as successor Trustee under the Indenture. Bankers Trust Company has, pursuant to Section 6.10 of the Indenture, accepted such appointment to be effective April 28, 1988. The address of the Corporate Trust Office of Bankers Trust Company, successor Trustee, is Four Albany Street, New York, New York 10015.

NOTICE IS HEREBY FURTHER GIVEN that pursuant to Section 4.02 of the Indenture, the Company has precived a notice.

Section 4.02 of the Indenture, the Company has received a norice of resignation from European Banking Company Ltd., as Principal Paying Agent under the Indenture. The Company has appointed Bankers Trust Company, London office as substitute Principal Paying Agent. The address of the Corporate Trust Office of Bankers Trust Company, London is Dashwood House, 69 Old Broad Street, London EC2P 2EE.

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Over the last 90 years, the work of the DGAA has lifted thousands of kindly men and women (many whose lives have been devoted to caring for others) from the mental and physical abyss of bereavement, financial crisis and approaching frailty. In every part of the country we have been helping to keep them in their own homes, but, when necessary in one of ours.

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will be broadcasting up to 100 pages of reports, previews, scores and medal tables we believe the most comprehensive and quickest results service.

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of 5,000,000 9-25 per cent. Cumulative Redeemable Preference Shares 2008-2013 of £1 each

Listing Particulars relating to Alida Holdings plc have been approved as required by the listing rules made under Section 142 of the Financial Services Act 1986 and are contained in new issue cards circulated by Extel Financial Limited. Copies of the Listing Particulars may be obtained

Singer & Friedlander Limited 21 New Street

16th September 1988

Heanor Gate Heanor Derbyshire

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and during normal business hours on 19th September and 20th September 1988 from: The Company Announcements Office 46 Finsbury Square, London EC2A 1DD

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Notice to Holders of Warrants

THE NOMURA SECURITIES CO., LTD.

2. U.S.\$200,000,000 31/s per cent. Bonds due 1991. Pursuant to Clause 3 of the Instrument dated 30th September, 1986 the subscription price per share of Common Stack will be adjusted from Yen 3,465.00 to Yen 3,364.10.

from Yen 4,326.00 to Yen 4,200.00. THE NOMURA SECURITIES CO., LTD.

Dated: 16th September, 1988

By: The Toyo Trust and Banking Company, Limited, as Principal Paying Agent

to subscribe for shares of Common Stock of

On 14th September, 1988 the Board of Directors resolved to make a free distribution of shares of its Common Stock to shareholders of record as of 15.00 hours, Friday, 30th September, 1988 in Japan, at the rate of 0.03 new shares for each one share held.

Accordingly the subscription price of the Warrants for each of the following three issues will be adjusted, effective as of 1st October, 1988:

1. U.S.\$100,000,000 61/4 per cent. Bonds due 1988. Pursuant to Clause 3 of the Instrument dated 7th November, 1983 the subscription price per share of Common Stock will be adjusted from Yen 665.40 to Yen 646.00.

3. U.S.\$200,000,000 4% per cent. Bonds due 1993. Pursuant to Clause 3 of the Instrument dated 31st March, 1988 the subscription price per share of Common Stock will be adjusted

HOLDINGS plc

Application has been made to the Council of The Stock Exchange for all of the 9-25 per cent. Cumulative Redeemable Preference Shares to be admitted to the Official List.

during normal business hours on any weekday, Saturdaya and Bank Holidays excepted, up to and including 30th September 1988 from: Alida Holdings ple

Bishopsgate London EC2M 4HR

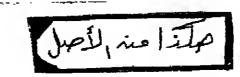
Issued by Singer & Friedlander Limited, a member of The Securities Ass

SPONSORED SECURITIES

High	Low	Park I and			Gross	Yhdd	
			Price	Change	dir (p)	%	· P/I
235	185	Ass. Brit. lad. Ordinary	235	. 0	87	3.7	84
235	186	Ass. Belt. Ind. CULS	235	0	10.0	4.3	
40	25	Armitage and Rhodes	37	+1			
57	37	SBB Design group (USM)	37		2.1	5.5	5.9
170	155	. Bardon Group	170	. ` ŏ		1.9	23.9
113	100	Sardon Group Conv. Prof.	113	Č	6.7	5.8	_
145	- 130	Bray Technologies	<u> </u>	.ŏ.	- 52	40	9.
114	100	Breshkill Copy, Pref	210		11.0	10.0	
287	246	CCL Stout Ordinary	285	. ŏ		4.3	4.
162	124	CCL Group 11% Conv. Prof	162	ě.	147	91	-
. 151	129	Carbo Pic (SE)	140	ŏ	7.1		130
113	- 200	Carbo 7.5% Pref (SE)	112	ŏ	10.3	9.2	-23.4
316	147	George Blair	316		120	3.5	7.0
100	- 60	lais Group	100	ĕ			19.2
118	87	ARCHARI GOVERNO (SE)	110		3.4	3.1	
- 350	245	Multibouse MV (Americs)	340	ŏ	-	3.2	
. 113	70	Modert Jenkies	134mt	-i	7.5	6.6	4.3
450	124	Scruttons	478	. 0	8.0	1.9	57.7
275	174	Torday & Carlisia	275 .		7.7		13.2
96	- 30	Trevian Holdings (USM)	77	0	2.7		22
113	100	Unistrut Europe Com Prof	100	-1	8.0	7.4	
298	203	W.S Yestes	298	Ô	16.2		57.3
Secre	rities (designated (SE) and (USM) are designated					

locarities are dealt in strictly on a matched bargain b ile Davies Ltd are market makes in these securities Granville & Co. Ltd.

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A CONTROL OF THE STATE OF THE S

Initially at least, the explosive device in question usually presents itself rather more innocently.

As a letter, in fact.

Its contents, however, can still prove totally devastating.

Because the letter we're talking about is one which tells you a customer is either in receivership, in liquidation or in very serious trouble.

Last year, over 18,000 customers told their suppliers they couldn't pay their debts.

Sometimes the effect of this was so catastrophic it even destroyed the company receiving the letter.

(Thus creating a very unpleasant snow-ball effect.)

In some five thousand cases, however, the situation was easily defused.

LAST YEAR WE DEFUSED OVER FIVE THOUSAND OF THESE.

Because the company concerned had insured its debts with us at Trade Indemnity.

In these cases we were able to pay out up to 90% of the insured debt.

Leaving our client still very much in business.

Since over 40% of your current assets could be tied up in debts, isn't it time you also considered using our services?

These days, you'll find we're as flexible as your own business.

We can, for example, insure all your debts. Or just those you choose to cover.

We have access to credit information on over a million companies in the UK, and millions more overseas.

And our credit analysis service can give you detailed reports on specific companies.

Our collections service can recover debts quickly and efficiently.

And we can also help make exporting a safer and more profitable exercise with various services ranging from credit insurance to non-recourse finance.

To even the largest of companies, in fact, our services have become recognised as sensible, prudent precautions that any well managed company should consider.

For some companies, of course, they may prove rather more than just sensible.

They could prove life-saving.

TRADE INDEMNITY

Apple and the art of communication.

From the day we first introduced the Apple Macintosh personal computer, it has talked in a language that we can

is all too often held on someone else's computer system.

With a Macintosh, all is not lost. To open the dialogue with

a mainframe, for instance, you simply point at a symbol on the screen, click and you've made your connection. While on the mini-computer front, we connect easily and successfully with leading names such as Digital." And you can just as easily communicate with MS-DOS® or Macintosh personal computers. In each case, effortlessly exchanging and upgrading the information.

Whatever the system, people spend their time *using* the facts and figures, not puzzling over how to find them.

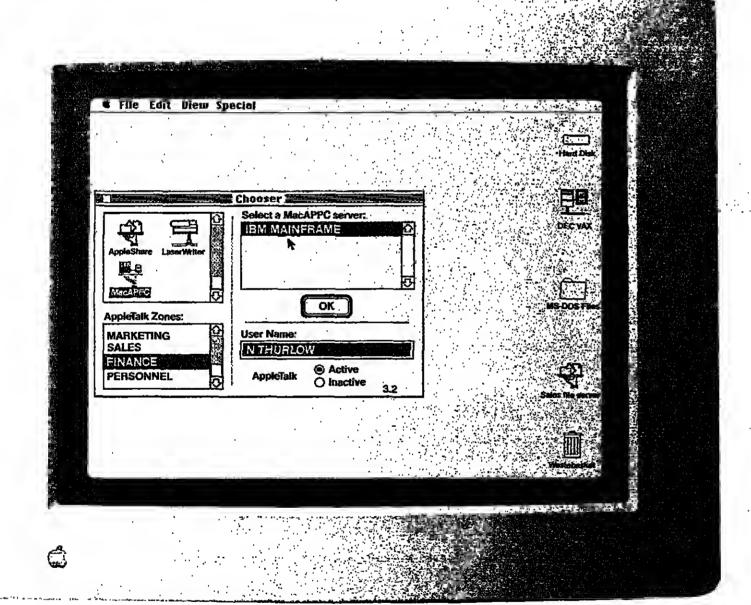
As a consequence, productivity improves by leaps and bounds.

To be precise, an in-depth survey, carried out by the accountants KPMG Peat Marwick, showed a 24% improvement with Macintosh users against their previous performance with conventional computers.

To discover more about Apple Computer dial 100 and ask for Freefone Apple.

It all goes to prove what we've always suspected; to succeed in business it's important to have the right connections.

Apple. The power to succeed.



You simply point and click.

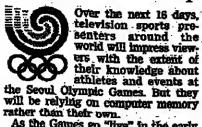
all understand. Instead of the mumbo-jumbo of conventional personal computers, it uses easily understood words and symbols such as files, folders and menus which, with the help of a mouse, speeds and simplifies operating. That's the bright side of the coin.

However, if you're running a management information system, utilising conventional mini or mainframe technology, you must be only too well aware of the communication problems.

The very information your people need to do their jobs

All lined up for the great data race

Della Bradshaw reports on the communications feat involved in broadcasting the Olympics



As the Games go "live" in the early hours of tomorrow morning, race results will be distributed to scores of countries using a wide area network, appropriately called Wins. This is connected to the Games Information On-line Network System (Gions), a mainframe computer system which will process results from the 23 ven-

will process results from the 23 venues for 26 different sports.

Within the Olympics complex, the information processed on Gions will be available via more than 1,000 Wins terminals. The Seoul Olympic Organizing Committee (Slooc) is expecting about 6,000 newspaper journalists and 10,000 in broadcasting to come to South Korea for the Games. All will be hungry for information about winbe hungry for information about winners and losers within seconds of

their fortunes being decided.
Slooc is confident that the system
will handle all the inquiries. Glous
was used in a dress rehearsal for the Olympics during the Seoul Asian

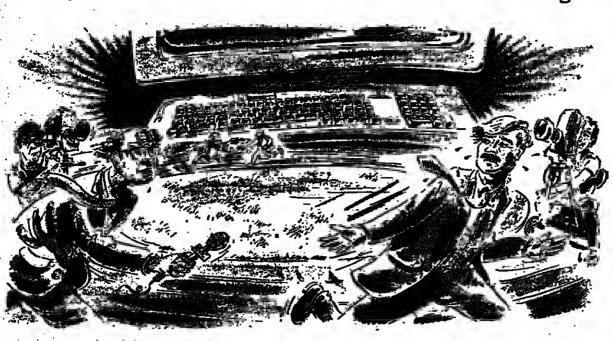
However, this time it will have e lot more data to process. More than 12,000 athletes from a record 161 countries will be competing. An estimated sh television viewers plus newspaper readers around the world will be waiting for that information. In the UK, the BBC has a dedicated telephone line installed between Tele-

vision Centre in west London and the Wins network in Seoul. This means that the results will be displayed on a computer in London within seconds of being announced in Korea. If the dedicated line fails, the BBC will use British Telecom's public data network, the PSS (Packet SwitchStream).

ITV Sport, which is handling the broadcasts for both the ITV channels and Channel 4, has three IBM personal computers in London connected to the Dialcom UK electronic mail service. That in turn is connected to Wins in Korea through a public data network which uses the latest packet switching techniques. This means that the information is sent in packets, rather than in a continuous stream, which makes it much easier to deal with faults on the line or

Authorised users in 52 countries can tap into Wins through their local public data networks in a similar way.

As well as processing live information, such as results, Gions has a stored database of information about all the athletes and events. Whether



Tokyo or New York, they will be able to call up that information.

"If an unknown atblete wins an

"If an unknown athlete wins an event, we can interrogate Wins in Korea and find out within seconds all about his background, previous best time and so on," says Mike Ward, senior producer for ITV Sport. Other information on the Gions database includes previous medal winners and information on world, Olympic and patient processes. national records.

The distribution of data about competitors and events is crucial to the successful coverage of the Games. But even more important is the successful even more important is the successful broadcasting of television plctures. Since the first inter-continental satellite broadcast of the Olympic Games from Tokyo in 1964, television pictures of the Games have taken on enormous commercial significance as well as entertainment value. Of the \$403m (£237m) being paid for television rights to the Games, more than \$300m is coming from the Ameri-

THE Olympic Games results computer, known as Gions (Games Information On-Line Network Sys-tem), has been developed by the Korea Advanced Institute of Science and Technology on an IBM 4381

mainframe computer.

A second IBM 4381, used to manage the Issuing of tickets and the allocation of accommodation and transport, can also be used to back up the first mainframe. The ticketing and accommodation software has been developed. oped by Saingyong Computer and the

can company NBC. The European Breedcasting Union (EBU), which represents broadcasters in 29 European counties, has paid \$28m.

But the expense does not stop there. NBC has spent a further \$100m set-ting up its broadcasting centre in Seoul, making arrangements for staff and installing equipment. The com-bined budget of £13m for the two British television companies looks comparatively modest.

A specially constituted division of the Korean Broadcasting Service (KBS), called the Seoul Olympic Television and Radio Organisation (Sorto), will be the main source of television pictures from the Games. However, broadcasting companies from other countries, such as panies from other countries, such as NBC of the US and the BBC and ITV from the UK, have sent camera teams to cover events of special national interest. In the case of the UK, that centres on the equestrian and hockey

Korea Information Computing Com-

At each of the 23 sports venues there are two IRM System 36 mini-computers, one to feed results to the central mainframe and the second to

act as a back-up.

Information about competitors, processed by Gions, is sent to the Wide Information Network Services (Wins). Connected to this, in the Olympic complex alone, are more than 1,000 Mighty 15 IBM compatible terminals made by Goldstar, part of

Sorto will have more than 225 television cameras at the 23 venues, each of which will be linked by an optical fibre cable to the international broadcasting centre. From there, pictures and sound will be beamed around the

Three of those channels are being leased by the EBU and OIRT, the broadcasting organisation which represents Eastern bloc countries. These two are working together to send tele-vision signals to countries in Europe, the Middle East, north Africa and the Rastern bloc. Two Intelsat communications satellites over the Indian Ocean, at 63 and 66 degrees east, will

At three broadcasting centres in Europe - London, Paris and Raisting in West Germany - the broadcast signals will be converted from the 525-line NTSC standard used in Korea, the US and Japan to the 625-line PAL standard favoured in most of Europe.

the Korean Lucky-Goldstar Group.
Wins has been developed by the
Korean company Data Communications (Dacom) and is an Ethernet network using co-axial cable, operating at 10 megahits per second. There are also 500 printers attached to the network to print out results.
Information on Wins can be

obtained in three languages: English, French and Korean. However, English is the only language available to broadcasting companies accessing the system from overseas.

The signals will then be broadcast throughout the recipient countries. France and any other country using the Secam broadcast standard will have to convert them again for their

In addition to those three channels, the EBU and OIRT have leased two extra ones from Intelsat which can be booked by their member broadcasters for transmitting unilateral "feeds", such as interviews with individual thletes. The BBC and ITV Sport each have their own additional broadcast If all else fails, the EBU

has a back-up route for getting television pic-tures back to Europe via north America. The signals would be sent to a satellite 180 degrees east fic Ocean and on to Lake Cowichan in Canada. They would then go to the EBU broadcasting centre in New York and on to Europe via another leased satellite transponder. The Japanese broadcasting company NHK has joined with television manufacturers to promote high definition television through the Olympics. It will be displaying broadcasts of the Games on huge public screens in railway stations, department stores and hotels around Tokyo. America's NBC will try to attract more viewers and

in stereo sound.
One development, favoured by both the BBC and ITV Sport, is the use of tape cassettes for recording the broad-casts from Korea, rather than the traditional reel-to-reel tape. The cassette system was used experimentally by the BBC during the Winter Olympics in Calgary, but will be particularly important for the round the clock coverage from Seoul.

listeners by broadcasting the Games

The casseties can be removed from the machines and replaced within sec-onds, in the same way as e domestic videotape. As they do not have to be rewound, like the older reel-to-reel tapes, they save time for programme

One of the most difficult aspects of the Games for European broadcasters will be the time difference - West Germany, for example, is eight hours behind Korea. Live broadcasts will be shown through the night, with edited highlights during the day - a continnous 24-hour-a-day, 16-day marathon. "We have to have systems that are very reliable, because we can't stop to

fix things," says John Carter, senior technical co-ordinator for studio operations at the BBC. Like other padcasters he admits the fortnight will be a real endurance test. Higher, faster, stronger may be the motto of the Olympic athletes. At

these Olympic Games, it could become an appropriate motto for the broadcasters as well.



WORTH Watching

Edited by **Geoffrey Charlish**

'Super slurper' based on starch ABSORBENT Industries, on the west coast of the US, has

developed e substance called CMT (co-monomer technology) which, as soon as it makes contact with er, is able to absorb hundreds of times its own weight. It has been

nicknamed "super slurper".
The polymer is a starch derivative that is not soluble In water. It can be used as a soil additive, with the advantage that it wilt ensure that seeds and seedlings have an adequate supply of water without repeated additions. An Important application could therefore arise in the transport of

In addition, being plestic (as in traditional absorbents), it can be used in animal feeds and bedding. The company has developed CMT with the

support of the US Department of Agriculture and holds world patent rights. The first pilot factory, near Portlend, Oregon, will start test runs in October. Full scale production is schedu

ior March 1989. Absorbent Industries is fooking to form joint ventures in Europe and the first production plant in the Middle East is in the final plann

Optical galleries for the police

DE LA RUE is hoping to interest the world's police forces in an image storage m that uses optical discs milar to the compact dises used for music.

Some 60,000 "mug shots" can be kept on e single disc and retrieving the image of any suspect's face takes only ee seconds. Electronic digital storage means that ages can be sent over lations or forces.

De La Rue, which afready has its finger-print image system in use in 11 countri says that an individual's me, previous case number. the type of incident and its location can be stored with the picture.

Detectives will be able to draw up "picture galleries" in various ways (by type of incident, for example), or allow witnesses to see a the company will offer simultaneous display of finger prints and photographs. Other applications will probably be in prisons end or port of entry control, where a passport control officer will be able to see fists of wanted or suspect persons.

Detecting faults in phones

THE ADVANTAGE of "direct dialling in" (DDI) in a company telephone system (PABX) is that it brings an outside line to each user's desk without going through the company operat effect, each user has his own public telephone number. The snag is that if there

is a PABX software fault, the user knows nothing, except that his telephone seems unusually silent.
To help solve this problem,

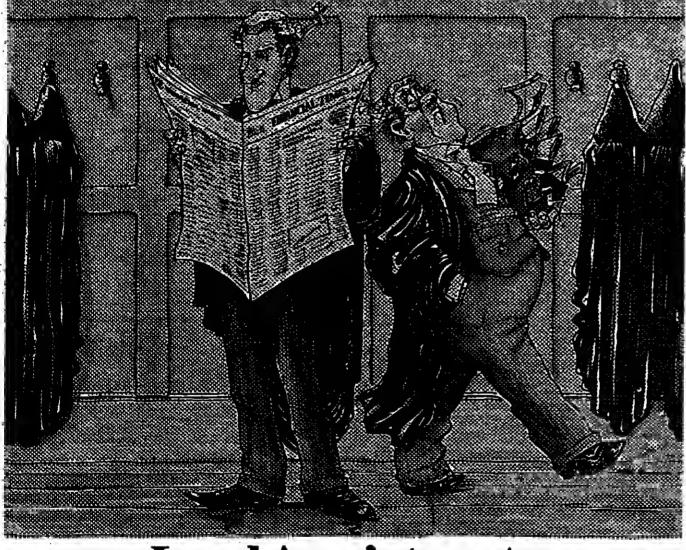
is offering e product called DDI interceptor, which will detect such a fault end then connect the telephone direct to the local public exchange.

The company says it is the only product to meet the regulrements of Offel (Office of Telecommunications), which are due to come into force next April.

It's an ill wind . . .

ONE heneficiary of the postal strike was interna Telecom, of the UK. It offers a fax broadcast service that number of destinations. It includes a store and forward facility, which means the messages are passed on at the most appropriate time to recipients in any country.

CONTACTS: Absorbent Industries: US, (503) 256 0544. De La Rue: UK, 0258 29122. J&D Gomarsall: UK, 0869 246733. International Telecom; London,



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COMPANY NOTICES MISA Draft - 95.09.1985

SPANISH 4% EXTERNAL LOAN (1974 ISSUE) The coupons due 1st October 1935 be presented for payment at I Edurfor - U.K., 63 London Wall, don, 5029 2JB, between the hot 19 a.m. and 2 p.m.

To the Holders of Warrants

the Company

THE COPENHAGEN COUNTY AUTHORITY

20,000,000 oan Units of Accou 9 5/4 % 1979/1991 Bonds

NOTICE OF BONDHOLDERS **DPTIONAL REDEMPTION**

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minute (peak and standard rate) and 25p per minute (cheap rate), including

traight to the heart of the City.

POSTAL DISRUPTION

THE TALBEX GROUP PLC Registered in England No. 272605

On 15th September, 1988 The Talbex Group PLC ("the Company") announced that it had entered into a conditional agreement for the acquisition of the assets and business of Victoreen for a consideration of US\$12.5 million ("the Acquisition") to be satisfied by the Issue of 18,335,000 new Ordinary Shares of 59 each and US\$5.15 million in cash. In connection with the Acquisition, Benque Paribes Capital Markets Limited have conditionally agreed to procure the placing of all such shares at 22p per share with institutional and other investors. Details of the Acquisition are contained in a circular to shareholders dated 15th September, 1888 which contains notice of an Extraordinary General Meeting convened for 3rd October, 1988 and which was posted to such shareholders together with a form of proxy for use at the Extraordinary General Meeting convened in that date. In the light of postal disruption, shareholders who do not receive a copy of the circular (within 7 days hereof) ere advised to contact Lloyds Bank Pic or The Talbex Group Pic, at the addresses below from where the circular

Lloyds Bank Pic Registrar's Department Goring-by-Sea, Worthing, West Sussex ohiona: (0903) 502541 ntact: Capital Section

The Talbex Group pic 22 Conduit Place London W2 1HJ Telephone: (01) 258 0021

Contact: The Compan The Notice convening the Extraordinary General Meeting to be held on 3rd October, 1988 is re-produced in full below.

THE TALBEX GROUP PLC NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of the ebove named Company will be held at Park Court Hotel, 75 Lancaster Gate, London W2 on 3rd October, 1988 at 10.30 a.m. for the purposes of considering and if thought fit, passing the following resolutions which will be proposed as Ordinary Resolutions:—

ORDINARY RESOLUTIONS

 That the acquisition of the essets and business of Victoreen, Inc. on the terms of the agreement dated 15th September, 1988 between Sheller-Globe Corporation and Victoreen, Inc. (1) Vic Acquisition Corporation and The Talbex Group PLC (2) as summarised in the letter from the Chairman of the Company to the shareholders dated 15th September, 1988 forming part of this document containing the notice be and is herety appropria. be and is hareby approved.

That, conditionally upon the passing of resolution number 1 above:-(i) the euthorised share capital of the Company be increased from £9,250,000 to £11,500,000 by the creation of 45,000,000 new Ordinary Shares of 5p each; and

in addition to and without prejudice to any editing authority enabling tham, the Directors be and they are hereby generally and unconditionally authorised for the purposes of Section 80 of the Companies Act 1985 to exercise any power of the Company to allot, and to grant rights to subscribe for or to convert securities into, shares of the Company up to a maximum number equal to the total number of shares in the increased authorised but unissued share capital of the Company as increased by this resolution, being £2,250,000 in nominal amount, provided that this authority shall expire on the day preceding the fifth anniversary of the passing of this resolution save that the Company may before such expiry make an offer or agreement which would or might require any such shares to be ellotted after the expiry of this authority and the Directors may, notwithstanding such expiry, allot any shares and grant such rights in pursuance of such offer or agreement as if the authority conferred hereby had not expired. (ii) in addition to and without prejudice to any existing author authority conferred hereby had not expired.

By Order of the Board L HL GARDINER

POSTAL DISRUPTION

GROUP

PARK FOOD GROUP PLC

NOTICE TO SHAREHOLDERS

On 8th September, 1988, Perk Food Group pic ("the Compeny") announced the proposed acquisition of the Country Group, a group of four hamper distribution companies, and the Butter business, a write and spirit distribution business, each acquisition being conditional upon the approvel of the Company's shareholders. Details of the proposed acquisition are contained in a Circular to shereholders dated 13th September, 1989 together with a Notice of an Extraordinary General Meeting convened for 29th September, 1988 with a form of

In the light of the current postal disruption, arrangements have been made for delivery of the Circular and Notice of Extraordinary General Meeting to shareholders by alternative means. Should any shareholders not receive a copy of the Circular and Notice of Extraordinary General Meeting by 14th September, 1988, they are advised to contact the Company Secretary of Park Food Group pic at its registered office set out below) or telephone (051) 653 0566. Additionally, copies of the Circular and Notice of Extraordinary General Meeting are available for collection from the registered office of the company and from Hill Samuel & Co. Limited, 100 Wood Street, London ECOP 2AL

The Notice convening the Extraordinary General Meeting to be held on 29th September, 1988 is reproduced in

PARK FOOD GROUP PLC

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of Park Food Group pic will be held in the Executive Suite of Transmere Rovers Football Club Limited, Prenton Park, Prenton Road West, Birkenheed, on Thursday, 25th September, 1988 as soon as the Annual General Meeting conversed for 12.00 room on the same day has been concluded, for the purpose of considering, and if thought fit, passing the following Resolutions, which will be proposed as Ordinary Resolutions:—

RESOLUTIONS

RESOLUTIONS

"THAT the general and unconditional authority for the purpose of Section 80 of the Companies Act 1985 to allot, gram options over or otherwise dispose of relevant securities given to the Directors under Article 5 of the Articles of Association of the Company be renewed for a term of five years expiring on the 29th September, 1993 and that such authority be firsted to a maximum nominal amount of refevent securities equal to the amount of the authority of the authority of the authority of the company from time to time untissued during the period of this authority."

"THAT the acquisition by the Company from C.W. R. Aktinson, P. Atdenson, M. C. Giner and M. L. Giner and others of the whole of the issued share capitals of Country Hampers Limited, West Country Hampers Limited, M.P.D. Hampers Limited and Floats (Packers) Limited on the terms and condetons of the Agreement dated 7th September, 1988 and made between M. C. Giner, M. L. Giner and others (1), the Company (2) and P. R. Johnson (3), be and is hereby approved."

"THAT the occurration by Booleve (217) Limited, e subsidiary of the Company, from Edward Butler Virtners Limited.

"THAT the acquisition by Boalow (217) Limited, a subsidiary of the Company, from Edward Butler Vintners Limited I "EBV") of the wine and spirit business of EBV on the terms and conditions of the Agreement deted 7th September, 1988 and made between EBV (1), Bealow (217) Limited (2), Edward Butler Holdings Limited (3), Edward Wiltern Butler (4) and the Company (5), be and is hereby approved."

A member entitled to attend and vote at the Meeting may appoint a proxy to attend and vote instead of him. A proxy need not be a member of the Company. A form of proxy is enclosed for use by sharpholders.

To be affective the instrument appointing a proxy and the power of attempt or other authority (if any) under which it is signed must be deposited with the Socretary, Park Food Group pic, Valley Road, Birkenhead, Messeyside L41 7ED, by not later than 12-00 noon on 27th Soptember, 1988. Completions and return of the form of proxy will not preclude the member from attending the Meating and voting in person if the member wishes to do so.

RK FOOD

15th September, 1988 22 Conduit Place London W2 1HJ

Arts Week 9 10 11 12 13 14 15

OPERA AND BALLET

Royal Opera, Covent Garden. Elijah Moshinsky's 1987 produc-tion of Mozant's Seraglio returns to the Covent Garden repeatory. Jane Glover makes her house debut as conductor, and the cast includes Mariella Devia, Deon van der Walt and Robert Lloyd. The savagely exotic and fascinat-ing Andrei Serban production of Turandot has Gwyneth Jones Downes as conductor. English National Opera, Coli-

seum. First new production of the ENG season is David Pount-ney's radical staging of La Tra-viata. Mark Elder conducts, and Helen Field, Arthur Davles and Alan Opie are the principals.
Pountney's ugly, coarse grained
modern-dress Carmen sports
at least a fine cast (including Jean Righy, Jacque Trussel and Sergey Leiferkus) and conductor (Yan Pascal Tortelier). The lim-ply staged wartime-in-Mussoli-m's-italy Tosca production by Jonathan Miller has the vivid Janice Cairns in the title role, Edmund Barham, and Malcolm Donnelly (836 8161). Sadler's Wells. The excellent Cumbre Flamenca troupe is well worth a visit: Carmen Cortes

and la Chana are two marvels of gypsey temperament (until Sept 17). On September 20, Mich-zei Clark, enfant terrible of post-

modern dance, starts a sea

with his own peculiar tribute to William and Mary. Not for the squeamish (278 8916).

Opera. Verdi's Rigoletto con-ducted by Alain Lombard/Alain Guingal returns to the Palais Garnier after 18 years' absence with Nell Shicoff/Taro Ichihara as the Duke of Mantus, Alain Fondary/Manuguerra as Rigo-letto and Alida Ferrarini/Christine Barbaux as Gilda (474 25750).

Vienna State Opera. In repertory: Pelleas et Melisanda, conducted by Clau-dio Abbado, with Frederica von Stade, Christa Ludwig, Malcolm Walker. Tanz-Schule, Ballet (Première), by Mauricio Kagel, con-ducted by Arturo Tamayo, with Baliet d'Action. La Fanciulla del West conducted by Anton Guadagno, with Waltraud Win-sauer, Silvano Carolli. Otello

8Y ORDER OF THE SOARD

R. J. HUGHES

ARTS

MUSIC London

conducted by Adam Fischer.
with Gabriela Benackova, Margarita Lilowa, Georg Tichy. L'Italiana in Algeri conducted by Claudio Abbado, with Georg Tichy, Agnes Baltsa, Patrizia Pace (51444, ext 2660).
Vollsowar In menacione Via her

Pace (51444, ext. 2660).
Volksoper. In repertory: Die lustige Witwe, conducted by Konzad Leitner. Gasparone by Millocker, conducted by Rudolf Bibl. Der Freischütz, conducted by Diefried Bernet. Tiefland by d'Albert, conducted hy Konrad Leitner. Ein Walzertraum by Oscar Straus, conducted by Rudolf Bibl. Der Opernball by Richard Heuberger (51444).

Denische Oper. Götz Friedrich's production of Falstaff has fine interpretations by Karan Arms-trong, Carol Malone, Ingvar Wix-ell and Wolfgang Brendel. Elek-

tra returns with Ruth Hesse, Ute Vinzing, Hans Beirer and Gerd Feldboff. Katja Kabanow

has a strong cast led by Patricia Johnson, Karan Armstrong, Helga Wisniewska and David Griffith.

Staatsoper. Der Troubedour fea-tures Sharon Sweet, Ruza Bal-dani, Leo Nucci and Harald Stamm. The revived production

of Eugen Onegin, sung in Rus-sian, is the highlight of the week The cast stars Bernd Weikl in the title role, Karita Matrila,

Daphne Evangelatos and Kurt Moll. Der Barbier von Sevilla brings Celilia Bartoli, Leo Nuc

Glorgio Tadeo and Jewgenif Nes-terenko together.

Opera. Gounods' Faust has its première this week, produced by Willy Decker with costumes by Martin Ruprecht. In the main parts are Josef Protschka, Perrucio Furlanetto, Ludwig Baumann and Ashley Putnam. Das Gautlemarchen, composed by Ger-

klermarchen, composed by Ger-hard Konzalmann received con-

première last week. Die Italienerin in Algier is a compe repertoirs performance.

Opera. Semiramide, the first pre-mière this season, produced by Pier Liugi Pizzi, has an interest-ing cast led by Cheryl Studer in the title role, Kathleen Kuhl-amın and Jean-Phillippe Lafont. Graham Vick's successful pro-duction of the December 1

duction of Don Pasquale is revived with Rolando Panerai,

Angela Maria Blasi and Bruno

Teatro Alia Scala. Homage to Strauss, the Munich Hayerische Staatsoper's production of three works by Richard Strauss, con-ducted by Wolfgang Sawallisch. Die Liebe Der Danae (Sat to Mon)

with Julia Faulkner, James King Klaus Konig and Thomas Wood-man, directed by Giancarlo del

Monaco. Also Daphne, directed by John Cox (Sun to Wed) with

gawa, Catherine Malfitano and Manfed Schenk; and (Thurs) Die

schweigsame Frau, directed by Gunther Rennert and designed

by Rudolf Heinrich, with a cast including Birgit Calm. Julie Kaufmann, Alfred Kuhn and

New York City Opera (State The-ster, Lincoin Center). The week features the world première of Jay Reise's Rasputin, which was commissioned by the company, and is conducted by Christopher Keene and directed by Frank Corsaro, with John Cheek in

the title role. The week also includes the season's new production of Riguletto, conducted by Elio Boncompagni and devised and directed by Tito

Capobianco, along with Lucia de Lammermoor, Rasputin, Die Zauberflöte and La Traviata.

Lyric Opera (Civic Opera House). In its first production with the company, La Sonnambula opens

the season with Miriam Gauci as Lisa and Frank Lopardo as

Elvino in Sandro Sequi's produc-tion, conducted by Donato Ren-zetti (322 2244).

Testro alla Scala, Milan. La Bohème, conducted by Carlos Klieber, directed by Franco Zeffirelli, with Mirella Freni, Peter Dvor-

sky, Barbara Daniels, Jonathan Summers. Tokyo Bunka Kalkan (Tues, Thurs). Turandot, con-ducted by Lorin Maazel, directed

olicied by Lovin Mazzel, directed by Franco Zeffirelli, with Ghena Dimitrova or Galla Savova in the title role, Nicola Martinucci or Giorgio Cassellato Lamberti as Calaf and Damiela Dessi or Lucia Mazzaria as Liu. NHK Hall (Wed) (725 8888).

Wolfgang Rauch (80.91.28).

New York

Chicago

Tokyo

Frankfurt

troversial reviews on its

Hamburg

London Classical Flayers
conducted by Roger Norrington,
with Edith Wiens (sogramo),
Linda Hirst (mezzo-sogramo),
Patrick Power (tenor), David
Wilson-Johnson (barttone) and
the Schutz Choir. Beethoven's
9th Symphony. Royal Albert Hall
(Fri) (589 SMIZ).
BEC Symphony Orchestra conducted by Andrew Davis, with
Joan Rodgers (soprano), Benjamin Luxon (barttone), BBC Singers, BBC Symphony Chorus. Last
night of the Proms. Royal Albert
Hall (Sat) (589 SMIZ).
Beethoven Flus is a series of
concerts between September 18

concerts between September 18 and December 10 which seek to set the composer's music in the context of his own time. The work of over 30 of Beethoven's contemporaries will also be fea-tured. Royal Festival Hall, Queen Elizabeth Hall, Purcell Room.

Enzabeth Hall, Purcell Room.

(228 3191).

London Philharmonic Orchestra
conducted by Klaus Tennstedt,
with Julia Varady (sonrano),
Waltraud Meler (metzo soprano),
David Rendell (tenor), Hams
Sotin (bass), London Philharmonic Choir, Easthowenia Misse monic Choir, Beethoven's Misse Solemnis, Royal Festival Hall

Solumins, Royal restavat fam.
(Sun) (528 3191).
Academy of St Martin-in-the-Fields conducted by Neville Marriner, with Murray Pershia
(piano). Cherubini, Beethoven.
Royal Festival Hall (Mon) (328

Oscar Peterson. A solo concert by the jazz planist. Royal Festi-val Hall (Tue) (928 3191). val Hall (Tue) (928 3191).
City of London Sinfonia conducted by Richard Hickor, with Eiddwen Harrhy (soprano).
Alfreda Hodgson (contralto), Philip Langridge (tenor). John Graham-Hall (tenor), Donald Maxwell (bass), London Symphony Chorus, Schubert, Mozart. Barhican Hall (Tue) (638 8891).
Academy of St Martin-in-the-Fields conducted by Sir Neville Marriner, with Murray Perahia (piano). Weber, Besthoven. Royal Festival Hall (Thur) (928 3191).

Picardy region

The first festival of cathedrals The first festival of cathedrals of European music takes place from September 16 to October 2. Britain is the guest of honour for 1988. London Mozart Flayers and London Choral Society, London Bach Orchestra and London Bach Chorus, Scottish Chamber Orchestra and Picardy's regional orchestra and choir will be performing in the Saint-Quentin basilica, in the cathedrals of Beauvais. Novom. Seniis. Leon Beauvais, Noyon, Senlis, Laon and Amiens and in other churches and chapels of the

Vincenza

Opera. Il Barbiere di Siviglia stara Alice Baker and Alessa Corbelli, Grace Burnhry is accom Vincenza Festival. Madrigals of Love and War (Guerrieri et mied by Jonathan Morris in er recital, Fidelio, with Amorosi) by Monteverdi per-formed by the Concerto Ensen ble conducted by Roberto Gini Michal Shamir, Heiner Goldberg and Douglas C. Johnson, rounds Teatro Olimpico (Mon) (54.61.11).

Wiener Mozart Orchestra. Moz-art. Sofiansaele (Fri, Wed). ORF (Austrian Radio and Televi-sion Orchestra), conducted by Sandor Vegh, with Erwin Sukar (horn). Mozart, Bartok. ORF (Fri) (50101 ext.881). Operetta gala matinée, with Volksoper and Staatsoper singers and dancers. Ferstel (Sun) (513 80 02).

conducted by Leonard Bernstein, with Wolfgang Schulz (flute). Beethoven, Bernstein, Brahma. Konzerthaus (Thurs) (72 12 12).

Chamber Orchestra of Europe
with violinist and conductor
Gidon Kremer, Tatjana Gridenko,
Oleg Kagan (violin), Tabea Zimmermanu (viola), Heinrich Schiff
(cello) and Juri Smirnow (piano),
Schnittke and Haydn. Philharresula (Syn). monie (Sun).

Cologne Stastsphilharmonic Rheiniand Pfair conducted by Leif Segar-stam, with Anne-Sophie Mutter (violin). Strauss, Berg, Mahler, Philharmonie (Mon). Orpheus Chamber Orchestra with Heinz Holliger (oboe). Moz-art, Strauss, Elliott Carter, Ives, Tchaikovsky. Philharmonie

New York New York Philharmonic con-ducted by Zubin Mehra. Webern, Schönberg, Schubert. Avery Fisher Hall, Lincoln Center

Washington National Symphony conducted by Mstislav Rostropovich. Ber-stein, Haydn, Brahms. Kennedy Center Concert Hall (Mon). Mstis

lav Rostropovich conducting Mozart, Sallinen, Greig, (Tue, Wed, Thur) (254 3776). Tokyo Tokyo Philharmonic Orchestra conducted by Herbert Kegel. Mahler. Suntary Hall (Mon) (371

Tukyo Metropolitan Symphony Orchestra, conducted by Yuzo Toyama, with Yoshio Umo (vio-lin). Beethoven, Shostakovich, Tokyo Bunka Keikan (Thurs)

EXHIBITIONS.

Paris Carte Masées et Monuments, sold in museums and Metro sta-tions, enables visitors to avoid queues at 60 museums and monuments, including the Louvre, Musée d'Orsay and Versailles

Palace.
Centre Georges Pounddon. The
Piftles, taking over Beambourg
for three months from the
ground floor upwards. The postwar creative dynamism of the
Piftles is represented by cars,
comics, music, cinema, librarturn, industrial smaller and comics, music, cinema, litera ture, industrial creation and - on the fifth floor - by visual arts. The great figures of Matiss and Picasso open the exhibition with works in black and white; monochromes by Yves Klein and Montana close it. There are statues by Giacometti, mobiles by test by the content, modules by Calder, and lyrical abstraction by Hartung and De Kooning. While contrasting the School of Paris with the School of New York, the exhibition draws attention to some of their parallel developments. (20 77 12 33)

developments. (42.77.12.33).
Glosed Tue. Ends Oct 17.
Institut du Mende Arabe. Holy
Places in Saudi Arabia. Magnidcent architectural models of the
Kaaba in Mecca and its black
brocade veil with verses from
the Koran embroidered in gold,
and of the Prophe's great
mosque in Medina, provide nonMoslems with a realistic image
of the shrines of lalamic pilgrimage, to which they normally have
no accass. Manuscripts, works
by the traveller Richard Burton
and 17th century Turkish ceramica complete the exhibition. 23 developments. (42.77.12.33).

ics complete the exhibition. 23 Quai Saint-Bernard (46.34.25.25). 1 pm till 8 pm, closed Mon. Ends ept 18. Musee d'Orsay. The spectacular museum of the 19th century is situated opposite the Tuileries Gardens within the metallic

Gardens within the metallic structure and the glass-roofed vanit of the vast Belle Epoque railway station. It houses paintings, sculptures, objets d'art and photographs from the end of the romantic period to the beginnings of modern art and the impressionists and post-limpressionists collections formerly in the Jeu de Paume. Here they are counterbalanced by academic painters, their contemporaries, long decided for their pomposity. long decided for their pomposity The sculptures come into their own in the immensity of the nave, at the end of which is e large-scale model of the Opera and its district below glass tiles. The view of Paris from the ter-races is an additional delight. 1 Rue Bellechasse (45.49.48.14).

Closed Monday. Picasso Museum, The 17th century Hotel Sale, sumptuously restored, provides a fitting bo festives, provides a fitting noise for the world's largest collection of Picasso's work. It comprises 303 paintings, 158 sculptures and more than 3,000 drawings and more than 3,000 drawings and engravings, 16 collages and 88 places of ceramics. It is completed by Picasso's own collection of paintings by his friends, such as Braque and Matisse, or hy artists he abmired, Remoir, Powerland Powerland and Powerland Remoir.

ny artisis he admired, Henour, Cézanne, Douanier and Rousseau. 5 Rue Thorgny (42.71.24.21). Closed Tuesdays. Musée de Cluny. Medieval art in Paris. The abbots of Chuny built their imagnificant late. Gothic lown house in the heart of the Latin Quarter on the hlackened ruins of Roman baths. Now a museum, it houses medie. eval works of art - goldsmiths' work, carved alter pieces, ivories, fabrics, with two English royal standards embroidered in gold on red velvet. In a rotunds of its own is a set of the Lady and the Unicorn mills fleurs tapes-tries – an allegory of the five senses, one of the masterpieces of medieval art. Place Paul. Pain-lève, Métro Odéon. Closed Tues-days and lunchtimes (43.25.62.00).

Munich Haus der Kunst, 80 Prinzre-gentstr. An important exhibition, centred on the city of Munich, which provides a broad view of the West German cultural scene. There are about 640 works – paintings, graphics and plas-tics – by 470 different artists. including over 100 women. Twen-ty-two works by the Austrian painter and sculptor, Alfred Hrdlicks, form the highlight of the show. The exhibition is organised by three group of artists. Ends Sept 11.

Schleswig Holstein Landsmu-seum. 1,000 years of Russian Art. This exhibition celebrates the 1,000th anniversary of the Rus-sian Orthodox Church, taking sian Orthodox Church, taking as its theme the new alliance between church and state. Following its Moscow pramière in June, opened by Raisa Gorbachev, it has now moved to Schleswig, celebrating the special relations between the Gesman state and Russia. Duke Karl P. Uhich of Holstein-Gottorf was a grandson of Peter the Great and in 1763 became Tzar Peter III. After his death in the same year, his wife Catherine the Great took over. The 453 selected pieces are on loan from 14 differgreat took over. The 453 selected pieces are on loan from 14 different Soviet museums, with the highlight provided by 130 from the 15th to the 20th century. Modern painters include Kadinsky. Natalje Gontscharowa.

and Kasimir Malewitsch. The other major part of the exhibition consists of 170 pieces of gold jewellery. The simple art of 18th century wood reliefs provides an interesting contrasts do the illuminated 18th century books with religious legends, musical notation and flustrations of the Accessives. Evid. Oct 24.

Apocalypse. Ends Oct 24. Museum of Modern Art/Museum of the 20th century. Works by Oswald Obschuber, one of Aus-

The Arab world in Europe. A marvellous collection of letters and other literary items. Ends

October 16.
Hermes Villa. Postraits by the fin-de-siècle artists, Gustav Klimt and Emille Floege. Ends Feb 19.
Secession. Klimt's Beethoven Frieze is now back in its rightful and original place in the restored Secession. The Secession was and original place in the teacher Secession. The Secession was founded by a group of artists. Klimt included, at the turn of the cantury. At the time, it pro-vided a haven and experimental ground for artists who were tired of the old established and con-servative Kunstlerhaus or arts

Academy.
Visitors to Vienna must see
the work put into the restoration.
Besides the excellent lighting
and colour scheme, the furniture,
all Austrian designed, is a real sys-opener on the wealth of cre-ativity which is taking place among the small crafts industries which have sprung up in recent

Venice Palazzo Grassi. The Phoenicians. The fourth major exhibition at The fourth major exhibition at Flat's imposing art centre on the Grand Canal attemps to give a complete picture of this extraordinary people, who dominated trade in the Mediterrapean for over 1,000 years before their capital, Carthage, was finally destroyed by the Romans in 146 BC. The exhibition has been given e highly theatrical presentation by the architect Gae Aulenti. Sarcophaghl project Anienti. Sarcophaghi project at odd angles from a pile of pink, send on the ground floor of the Palazzo; in an upstairs room, model ships stand immobile in a rippling artificial lake, and a ripping artificial lake, and
a ripping artificial wave engolfs
a Phoenician wreck. Many of
the 1,300 objects displayed (gold
and silver jewellery, statues and
reliefs in terracotta, bronze and ivory) are extraordinarily beautiful and the 750 page catalogue, published by Bompiani, is excel-lent, Until Nov 6.

Palazzo Venezia. Imago Marise. Over 100 works, including mas-Over 100 works, including masterpieces by Gentile da Fabriano. Pinturichio, Correggio, Giaquinto and Tiepolo, showing the progressive humanisation of the Virgin Mary from the austere figure of the Middle Ages to the gentle and accessible charm of the Renaissance and Baroque portrayals. Ends Oct 4. Galleria Nazionale d'Arte Moderna. Gastone Novelli and Achille Perilli. A three-part exhibition devoted not only to the intion devoted not only to the two Italian painters, but also to the architect Luigi Cosenza. responsible for the gallery's new extension. Both Novelli (who died in 1968) and Perilli became known in the 50's, joining the group of Roman abstract artists, Forma I, and editing together an art magazine, The Modern Experience, Until Sept 25.

Bologna

Pinacoteca Nazionale and Museo Archeologico. Guido Rent (1575-1642). A splendid collection (1575-1642). A splendid collection of paintings by the Bologness mannesist painter, the first to bring the concept of physical beauty into sacred art. His depictions of the Virgin Mary have looks and temperament which recall Thomas Hardy's tragic heroines. The paintings come from major Halian and foreign museums. Many have been restored for the occasion (such as the remarkable Massacre of the Innocents), and some have the Innocents), and some have not been on public display for many years. The Trimmph of Job (also newly restored) had

been hidden in the right-hand bell-tower of Notre-Dame in Paris since 1797. Until Dec 8.

The Gianada Foundation is showing the second part of trees sures on loan from the Sao Panio. Museum. Entitled From Manet to Picasso, it is especially rich in Renotra, from society portains and little gisla in frothy lace and pink and blue satin, to a fiethy nude. Van Gogh, too, is well represented with his famous Aristene and landscapes with the mented trees. There is Cézanne's portrait of his wife, a Tahiti scene by Gauguin, early Picassos and Manet's Marie Lefebrus, reing side saddle all clad in black and looking as seductive as Bonnard's appealing nude or Degas ballet dancers. (25978). Ends Nov Martigny nard's eppealing nude or Degat-ballet dancers. (23978). Ends Nov

New York

Metropolitan Museum of Art. An exhibition of architecture An exhibition of architecture on paper covers four centuries of drawings including works by Frank Lloyd Wright, Louis Confort Tiffany and Arata Isosaki, as well as the west facade of the Alhambra that dates back to 1880. Ends Jan 6. Museum of Modern Art. Almost 100 black-and-white prints illus-trate Matisse's influence during a 50-year printmaking career that included lithography, dry-point, etching and lineleum cut Ends Nov 6.

Chleago

Art Institute, More than 50 Dutch and Flemish 17th century. Dutch and Flemish 17th century, masterpieces from the Hermitage in Leningrad, including works by Rembrandt, Rubens, van Dyck and Frans Hals, kick off a collaborative effort by US and Soviet museums Ends Sept 18.

Art Institute, The first major retrospective in 30 years of Paul Gauguin includes more than 230 objects and major paintings from all the periods of his exotic and far-flung life, Ends Dec 11.

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Tokyo National Museum. The Splendour of Turkish Civilizaspiencour of turns of the state of the control of the Sultans in Islambul boasts e magnificent location, overlooking the Bosporus, and houses a superb collection of classical antiquities, manuor cassarar anoquines, mand scripts, armour, textiles and other artefacts. This selection of 150 items focuses on the hey-day of the Ottoman Empire, from the 16th to 19th centuries. Highlights include a steel helmet incrusted with priceless rubles, turquoises and amethysis, and wooden throne inlaid with ebony, mother of pearl and silver, Closed Mondays. Hera Museum of Contemporary Art. Shinagawa. Oil paintings by Tomic Ohtake, who emigrated to Brazil in 1986 and is now regarded as one of Latin Amer-ica's liveliest abstract artists. This is her first solo exhibition in her native country and has been organised to commemora the 80th anniversary of the

arrival of the first Japanese immigrants in Brazil. Closed Mondays.

National Missens of Western Art. Japonisme: A major exhibi-tion, seen earlier this year at the Grand Palais in Paris, which explores the influence of Japan explores the influence of Japan on the art of the West in the late 19th century. The exhibits range from the straightforward repre-sentation of Japanese objects, or an added exotic touch in a conventional portrait — such as Monet's depiction of his wife in e red kimono — to copies of Japanese pictures and scenes from Japanese life. Closed Mon-days. on the art of the

days. Ueda Gallery, Ginza. New works by Shoichi Ida. Ida is regarded as one of Japan's leading contem-porary artists and has exhibited widely at home and abroad. He is best known for his work in paper. This exhibition gathers recent works, many from a series entitled the Garden Project and Lotus Sutra, where stones, twigs and other natural materials evoke images of Japanese gar-dens. Closed Sundays. Ends Octo-ber 15

ber 15. Continued on Page 19



Red Nacional de los Ferrocarriles Españoles DM 625,000,000

Deutsche Mark Floating Rate Notes due 1996 - Stock Index No. 478 723 -

In secondance with § 2 (5) of the Terms and Conditions of the Notes motion is hereby given that the Rate of Interest has been fixed at 5 th/t, p. a. for the interest Period 16th September, 1988 to 16th March, 1989 (181 days). Interest secrets of this interest Period and psyable on 16th March, 1989 will amount to DM 268,67 per DM 10,000 principal amount.

September, 1968 Interest Determination Bunk:

J.P. Morgan GmbH Frankfurt am Main

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To subscribe for shares of common stock of OKASAN SECURITIES CO., LTD.

> U.S. \$50,000,000 41/2 Guaranteed Notes Due 1993

NUTICE OF FREE DISTRIBUTION OF SHARES AND
ADJUSTMENT OF SUBSCRIPTION PRICE

ADJUSTMENT OF SUBSCRIPTION PRICE

Pursuant to Clause 4 (A) of the Instrument dated June 30, 1988 under which the above described Warrants were issued, you are hereby notified that a free distribution of Shares of the Company at the rute of .03 shere for each one share hald will be made to shareholders of record as of September 30, 1988.

As a result of such distribution, the Subscription Price at which shares are issuable upon exercise of the Warrants will be adjusted pursuant to Condition 7 of the Terms and Conditions of the Warrants from 1,856.00 Jepanese Yen to 1,801.90 Japanese Yen effective as of October I, 1988.

THE INDUSTRIAL BANK OF JAPAN
TRUST COMPANY on behalf of:
OKASAN SECURITIES CO., LTD.

ŧ.

Dated: September 16, 1988

Rogistered C Valley Road, Morsowside L41 7ED

NOTES

DATED: 13th September, 1986

NOTICE

RYOSAN

Ryosan Company, Limited

U.S.\$150,000,000 41/4 per cent. 1993 with Warrant

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To the Holders of the above-captioned Warrants: You are hereby notified that, as a result of a free distribution of shares of common stock of Ryosen Company, Limited to the shareholders of record as of 30th September, 1988, Japan time, at the rate of 0.1 shares for each share held, the subscription price of the above-captioned Warrants will be adjusted pursuant to condition 7 of the Warrants under the instrument dated 4th August, 1988 from Yen 3,783 to Yen 3,439.10 per share, effective as from 1st October, 1988, Japan time. The date of issue of the shares to be Issued upon such free distribution is 1st November, 1988.

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AND
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As a result of such distribution, the Subscription Price at which shares are issuable upon exercise of the Warrants will be adjusted pursuant to Condition 7 of the Terms and Conditions of the Warrants from 774.00 Jepanese Yen to 716.70 Japanese Yen effective as of October 1, 1988.

THE INDUSTRIAL BANK OF JAPAN KOBE ELECTRIC RAILWAY CO., LTD. Dated: September 16, 1988

مِلذًا منه الأصل



Re: Joyce!

Joyce Grenfell died in 1979, but chard. Lipman irradiates that has never really gone away. In a new entertainment written by herself and James Roose-Evans, Maureen Lipman recreates Grenfell through her material while creatively extending her own comic

This mostly involves making Joyce Grenfell Jewish, not an obvious concept. In a starched taffeta turquoise gown and bolero, Lipman reminds us that Joyce was born with certain advantages, but not necessarily a silver spoon in her mouth. And if there was a spoon, there was no chicken

The transition process from Lipman to Grenfell then invokes a curious bint of Dr Evadue Hinge (the one who sits at the piano), but once arrived, the new Granfell launches gloriously into the schoolgiri reunion where everyone cheerily remembers show sketches in the biogra-phical information of camping out in a cottage on Auntie Nancy Astor'e Chyeden estate (some hardship), the first approach by Herbert Farjeon at a Stephen Potter party ("I can't go into a revue, I'm marcan't go into a revue, I'm married"), the simple bits of that
marriage to Reggle who managed his family's mining
wealth, the war effort, chipping in with ENSA ("Every
Night Something Awful"),
helping out Myra Rees at the
National Gallery concerts, the
October capeer ("Cancer was not ocular cancer ("Cancer was not a word Joyce would have used" and I'm not at all sure about creature God made. It is an extraordinary epilogue coming from one who invented other

Mr Roose-Evans has just lina. The most blazingly porti-nent of them concern her stage debut in a 1939 revue with Her-mione Baddeley and Cyril Rit-

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"circus horse instinct" while Denis King at the piano interrupts his marvellous accompaniment (Joyce and her com-poser, Richard Addinsell, are hereby reinstated as good English songwriters) to recite a good review by James Agate of the Sunday Times.

Confusingly, this notice appeared to be printed on pink paper. But so, later on, did one by Felix Barker (one always. warms to shows when colleagues are mentioned) in the Evening News. Barker doubted the success of Grenfell's 1954 one-woman show, but not all' that much, The point is that just as Grenfell did triumph

barbed and slightly tinged with a knowing village hall quality. Grenfell worked for the Women's Institute and could send them up rotten. But affec-tion and grace are at the heart of all her observations, and Lipman latches on to this with a vengeance. She proves the tenacity of the material by investing much of it with for-eign Yorkshire accents and annexing the terrible worrier who threw an unwanted rabbit through a car window to her sibilant school of Jewish neu-

Grenfell was a private person and Lipman enters the final phase by expressing the religious conviction that in casting off skins one finds the creature God made. It is an that, even though she was a people and, most crucially, other audiences, all her life.

Mr. Rossa Evens has just Lipman, directed by Alan Stramr Roose-Evans has justified a collection of intermittently amusing letters cal set by Peter Rice; conveys several layers of arch ambiguity. It is a brilliant study in strained but superior English-

Michael Coveney

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FINANCIAL TIMES

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CINEMA

Driven abroad by panic and passion

t is not often Roman Polanski inspires stray reminders of Cary Grant, but so unabashedly is his new release Fruntic inspired by the collected works of Alfred Hitchcock that one cannot help wondering from time to time how Grant or James Stewart might have handled the central role of Dr Richard Walker,

Walker, played by Harrison Ford, is an American surgeon in Paris with his wife Sondra (Betty Buckley) to attend a rence and enjoy a second conserence and empty a second honeymoon away from their children. But a switched suitcase pracipitates a mistaken identity, Sondra's kidnapping and the clashing of rival groups all in pursuit of a mysterious puriotned object.

Harrison Ford's frustrated

Harrison Ford's frustrated. husband, equally unable to deal with the language or indif-ferent officialdom, is left to fol-low a trail of clues that leads him to Michelle (Emmanuelle Seigner), the casual author of the crucial mix up. It is at this point that it becomes clear-that, in spite of its superficial resemblance, this film has a life of its own that owes far more to the collaboration of

Brach than any salute to Hitchcock Though Hitchcock's characters are full of ambiva-



Harrison Ford in

lence, none would have achieved the barely acknowledged sexual tension that exists between the hereft Walker and the self-absorbed girl almost young enough to be his daughter. His wife is manon dealing with everything has contributed to his helplessness - will he succumb to the stunning Michelle or be faithful to his maternal mate?

Ford is a man driven as much by panic as passion to a Paris alternately sterile and sleazy as he ventures out from the anonymous comfort of his hotel into the restless nightlife of a younger unknown world. There is a wonderful scene in a nightcluh where, entirely at cross purposes, he eagerly dis-cusses with a Rastafarian his search for the white lady leaves him the haffled possessor of an envelope of

Unfortunately such humorous moments are rare, and it is ous moments are rare, and it is interesting to discover that there was a third writer on Frantic — Robert Towne, who scripted Polanski's splendid 1974 thriller Chinatown — whose contribution has been largely edited out. One cannot help speculating that his non-European input might have provided the tooch of humour and warmth thet would have transformed Frantic from a beantifully and economically

into a thoroughly satisfying

It is a pity that Dr Walker's

FRANTIC (15) Warner West End

BUSTER (15) **Odeon Leicester Sq**

wife could not have escorted Buster Edwards and his wife June (Phil Collins and Julie Walters) on their flight to Aca-pulco. She would have got them organised in no time into the modest life they really wanted, away from the beach life, cocktails and spicy food. She may even have found the fish and chips June craved, but that would have been harder

Buster, we are told, is not so much an account of the great train robbery as the love story

behind it which was to lure Edwards from the safety of South America back to certain arrest in Britain. In fact it seems to be far more about the couple's inability to adapt to or enjoy their illicit wealth. Conveniently forgetting the

engine-driver who never recovered from injuries received from the robbery, the hold-up is presented as a caper that went wrong. While the crime itself was almost faultlessly executed, the same attention to detail had not been applied in covering the gangs tracks and most of them ware swiftly

It might have been better for the Edwards family if Buster had been one of them, because their ever-changing hideouts, culminating in exile in Acapulco, are just a series of pris-ons maintained with his dwindling cache of money. Buster and June's discomfort among the palm trees of Guacamole emphasise how far the British have come in the last couple of decades when it comes to coping with Abroad, hut in this arid period just before the Sixties got into gear, June's home sickness is almost

forgivable.
The determined cheerfulness of Buster makes it an uneasy film to watch - the robbery itself seems to have been almost a waste of effort with much of the money lost in laundering it out of the coun-try, and it is hard to feel much concern for the fate of the rob-bers. With only clumsy references to the Beatles and the Profumo affair to provide any sense of time or place, it does not even make it in the nostal-

Practically the film's only redeeming feature is the per-formance of Phil Collins as Buster Edwards. Ohviously his apprenticeship as a child-actor not wasted But even his sure grasp of Buster's aspirations and emotions works against the film as a whole. His freshness and conviction seriously undermine the performances of Julie Walters and Sheila Han-cock as his wife and moth-er-in-law, a pair determined to transform his quest for the good life into the days of whine

Ann Totterdell

La traviata

The English National Opera has a new production of Ver-di's opera: it is not quite clear why, though the Woolwich has supplied generous funding. A jaundiced guess would be that La traviata has simply been swept up in a project of remaking the basic repertoire in House Style. For once, this lat-est Pountney-Lazaridis collaboration neither reveals a subtext nor presents a challenging gloss; what we get is a good sing-through, decently acted out on conventional lines, amid lashings of house-style imagery — variously bizarre, obstone or just distraction has obvious or just distracting, but always ohtrusively self-con-

The trouble is that all the resonances David Pountney detects in the opera (sedn-lously detailed in his programme-note) are familiar to any normally sensitive andience, without the least need for visual nudges. A great strength of Verdi's realisation of the Dumas fils tale is his unstimover the longer distance, so does Lipman. The material is pointed and ing sympathy with all the indi-vidual characters, leaving us to draw our own morals - as naturally we do! - about bourgeois hypocrisy or the anomalous status of courtesaus in merely underlines those: with "style," of course, but in broad strokes which often as not blur

the human detail. The detail should improve as the cast play themselves in; the broad strokes may have to be put up with, like graffiti.

It is no bad idea (nor is it new) to insist that Violetta is an exploitee in a disreputable trade, not just a reckless par-ty-girl. Verdi's audiences knew that very well, hut modern morals and many modern stagings - especially those for respectable prima donnas -obscure the point. Pountney makes Violetta's opening party a meat-market for rich, grim-faced men (who wear their top hats throughout dinner), held in a tumescent-red chamber with brothel-mirrors and panels that rise to display lowerbudget female wares.

So far, so obvious; but when the curtain rises on the country hideaway of Act 2 we are still there - with a deck chair and a carpet of popples (not camellias) on the head table, and heavy gentlemen planted surrealistically in the middle distance: Social Pressures, one guesses. The touching sense of lovers-playing-honse (in a honse bought hy her last patron) is quite lost, though Pountney remarks it in the

1; for Vloletta's terminal B-and-B the walls contract and the brothel-mirrors curdle, and her demise is the signal for a strobe-lit, pathos-killing scurry off, so as to make her an abandoned bit of jetsam.

Trapped in this setting, at once loaded and generalised, a sound cast made creditable headway on Wednesday. Helen Field's frail, pretty Violetta was a distressingly plausible consumptive, with an effusive, appealing upper register (dry-voiced lower down) and a keen musical lilt that was only externally connected with –
never coloured by – her actual
words. Pountney's words, as it
happens: singable, as well as
sensitive to ideological implications, but often too heedless of the original Italian phonetics to reproduce Verdi's musical diction. The Englishing of Alfredo's "Bollente spiriti" gave Arthur Davies evident trouble; elsewhere he rose to some moments in his best form, sometimes sounded thred and short of vocal metal.

As Germont père, Alan Opie contributed a looming silhou-ette and a bluff, vaguely benev-olent persona, reflected in the hland delivery of his arias. His programme, and people keep tripping over the poppies. Flora's party is a replay of Act

confrontation with Violetta struck no interpersonal sparks, for Pountney set them apart confrontation with Violetta

early - Miss Field into intense private fervour, Opie left to windmill-gesturing at nobody in particular. We got vociferously sincere stereotypes at precisely the point where the opera can reveal - and has done, in this very theatre vulnerable, complicated grownups in collision.

There was a theatrically bright co-demimondaine Flora from Eirian James, and an oddly supercilious Annina – oddly supercilious Annina – Violetta's maid – from Shel-agh Squires, no doubt dictated by Pountney's notion of what a Gold Card whore's secretary should be like. Mark Elder con-ducted the hig ensembles to solid effect (the stark staging favours stand-and-deliver treatment), and shaped a poignant Act 3 prelude, I thought some of his tempt for the principal arias, and the heartbreaking duet "Parigi, o cara," a fatal notch too quick to leave breathing room for the expres-sive subtleties required - and surely expected by Verdi - to let them expand beyond the scale of catchy ditties. For newcomers the pace may seem bracing; aficionados will find the human depths underex-plored, bowever vivid the

David Murray



Helen Field and Arthur Davies

Boulez conducts the BBC Symphony

be Schoenberg's Erwartung, with Jessye Norman as the protagonist. Two weeks ago, however the programme was changed — Miss Norman had been unable to give the monodrama the preparation it demanded and sang Berg's Seven Early Songs instead, while Pierre Boulez additionally conducted the BBC Symphony Orchestra in Webern's

Those of us who cling fondly to the belief that London's orchestral life has never been

The highlight of Wednesday's as absorbing as in the years Prom was originally planned to when Boulez was the BBCSO's principal conductor will have found this concert an exquisite exercise in nostalgia. Mahler (the Adagio from the Tenth Symphony) and Bartok (the complete score of The Miraculous Mandarin) completed the concert, and if Boulez's approach is generally broader now - 20 years ago he would never have countenanced such liberal use of rubato at the opening of the Webern, with its consequent blurring of the dis-tinction between quavers and triplets — and the BBC Sym-

phony is presently not quite the attentive ensemble it once was, the crystalline delineation of motive and texture is as pen-

So too is the perfect sense of conveying precisely what such music is about, and bow its contradictory elements are not to be related back to a vague 19th-century vision or even forward to a hard-edged modern-ism, but presented as they are, on the cusp of a new order and syntax. Around Miss Norman's comfortably sensuous accounts of the Berg songs Boulez constructed accompaniments with

enough fibre to counteract any residual late-romantic sweetness, and went on to unleash an account of The Miraculous Mandarin of surprising ferocity and nervous energy. The woodwind playing of the BBCSO was first rate here, the pounding weight of the brass climaxes fully registered. The most frankly expressionist of all Bartok's scores has long heen one of Boulez's most admired interpretations and it has lost none of its savage pre-

Andrew Clements

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THEATRE

Rasy Virtue (Garrick). Transfer of King's Head revival of early Noel Coward, same period but lesser vintage than Hay Fever. but worth seeing (379 6107).
South Pacific (Prince of Wales).
Average, traditional revival of the great Rodgers and Hammerstein musical, with Gemma Craven failing to wash the baritonal Parile Relegant out of her heise Emile Belcourt out of her hair

(339 5989).
The Phantom of the Opera (Her Majesty's). Spectacular, emotionally nourishing new musical by Andrew Lloyd Webber (839 2244, credit cards 379 6131/240 7200). Follies (Shaftesbury). Eartha Kitt and Millicent Martin now decorate Mike Ockrent's strong revival of Sondheim's 1971 musical, in which poisoned marriages nearly undermine an old buresque reunion in a doomed theatre (379 5399).

Hangood (Aldwych). New Tom
Stoppard mixes esplonage,
romance and higher physics.

Felicity Kendal is the eponymous

reactly Ariana is the eponymon intelligence agent, Roger Roes and Nigel Hawthorne in elegant support (836 6404, credit cards 379 6233).

Importance of Being Rarnest (Stadsschouwburg). The Berlin Play Actors with Oscar Wilde's play, directed by Rik Maverik (Fri to Sun) (24 23 22).

New York

Amsterdam

Cats (Winter Garden). Still a sell-out, Trevor Nunn's produc-tion of T.S. Eliot's children's poetry set to music is visually startling and choreographically

Les Misérables (Broadway), The magnificent spectacle of Victor Hugo's majestic sweep of history and pathos brings to Broadway lessons in pageantry and drama (239 6200). Starlight Express (Gershwin).

Those who saw the original at the Victoria in London will barely recognise its US incarnation: the skaters do not have to go round the whole theatre but do get good exercise on the spruced-up stage with new bridges and American scenery to distract from the backneyed pop music and trumped-up, silly plot (586 6510). M. Butterfly (Eugene O'Neill). The surprise Tony winner for 1968 is a somewhat pretentious

and obvious meditation on the true story of the French diplomat Noh (National Noh Theatre)A whose long-time mistress was a male Chinese spy (246 0220). Me and My Girl (Marquis). Even if the plot turns on ironic mim-icry of Pygmalion, this is no clas-sic, with forgettable songs and dated leadenness in a stage full oated leadenness in a stage init of characters (947 0033). Speed-the-Plow (Royale). David Mamet applies his hiring sercasm and ear for the exaggerations and ear for the exaggerations of American language to Hollywood, in this screamingly funny and well-plotted expose of the film industry (239 6200).

Stranger Here Myself (Public).

Angelina Roux performs two decades of Kurt Weill's songs in a one-woman show covering Bunraku (National Theatre).

in a one-woman show covering the composer's careers in Berlin, Paris and New York (598-7100). Washington Les Misérables (Kennedy Center Opera House). The touring com-pany of the International hit of last season brings to Washington the historical sweep of Victor Hugo, set to music and an insistent contemporary beat. Ends Oct 15 (254 3770).

Kabuki (Kabuki za). The morning programme, at 11am, includes Kago Tsurube, with Living National Treasure, Utae Living National Treasure, Utae-mon, in one of his most famous roles as a sophisticated courteea who gulls a country bumpkin. In the afternoon, at 4.30pm, the progamme includes Ii Tairo, a "new kabuki play" set in the 19th century at the time of Japan's opening to the West, as well as one of the most famous works to the kabuki reoas wen as one of the intest famous works to the kabuki rep-ertoire, Kanjincho (The Subscrip-tion List), in which a wily ser-vant outwits his master's pursuers. Ends September 25 (541 3131).

double bill consisting of the sacred ritual Okina (old man), on which all noh is said to be based, and a true nob play. Tenko. Japan's most esoteric art form is not to everyone's taste, but should be experienced at least once by everyone who wants to discover why Japan will never become a 'Western' nation. (Most other Noh theatres are open only at weekends; check local press for details). (423 1331).

The bunraku puppet theatre is one of Japan's most refined art forms. Each doll has three operators who remain in sight of the audience throughout the perfor side of the stage unfolds the story to musical accompanimen This month's performance fea-tures Hiragana Seisuiki, a play written in the Jidaimono (classi-cal) style in 1739. The two surviving acts have no connection with each other and are performed at 12 noon and 5.30pm. Earphone commentary in English. Ends September 25 (265 7411).

Raúl Giménez WIGMORE HALL The Rossini revival is not in place and the perforbecoming self-generating. As mances win respect rather more companies want to per-than affection. Admittedly, the lackadaisical accompaniments form the operas, there is a need for more tenors who can sing sing them; and as more of Nina Walker, seemingly

tenors come forward, so the hit the right notes or not, did possibility arises for more per-formances. It would almost be feasible now for a singer to make a career on nothing else, and to a large extent that is what the young Argentinian tenor Raul Gimenez has done. Since he came to Europe the Rossini operas have acted as his passport to the leading opera honses. Voice is the essential thing in this repertoire and the Rossini arias in Giménez's Wigmore Hall some beautiful singing that recital on Wednesday showed that he has the most of the special accomplishments of the

strain. If the arias had also been light and witty, or shaped with the poise that the tenors of operatic arias had been that Rossini's day brought to them good, too. Then we could look according to the descriptions forward to still more Rossini in that we can read, then we might hail the ultimate Rossini tenor. But as yet that insight is

not help.
After the interval, however, came a different kind of music and, it seemed, a different singer. A group of traditional Argentinian songs in delightful arrangements, mostly by Guastavino and Ginasters, freed the imagination that had evidently been locked away while the singer had the technical demands of the Rossini to deal

unconcerned as to whether she

was full of affection and moments of delicacy.

There is a real artistry in style: It is an agile voice, with Gimenez, as his Tosti encore the tone hright and forwardly-showed to the full. He may lose placed and the words clear, his scores of these places and though some open vowels wave cheerfully to the audicatch an unpleasantly nasal ence that he cannot go on without, but it is obvious that more opera-houses.

Richard Fairman

Impressionist build up

Christie's major London winter The Monet "Japanese sale of Impressionist and mod-bridge" was completed in 1900, ern pictures on November 28 is building up to being one of its best ever. In addition to the important early Picasso of his Romanesque chapel of St Honrose period "Acrobat et jeune Arlequin," which should top £10m, an important Monet "water lily" canvas and a Gau-guin view painted near Arles in the autumn of 1888 when he was visiting Van Gogh, have

been included in the sale.

making it one of the earliest on this theme: it is estimated at orat, is modestly estimated at the same length of canvas on which Van Gogh painted the "Sunflowers" that Christie's sold for £24.75m in 1987.

Antony Thorncroft

FINANCIAL TIMES

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Friday September 16 1988

Europe's quest for quality

large European multinationals embarked on an ambitious common crusade: to help improve the international com-petitiveness of other companies across Europe, in services as well as manufacturing, by stimulating a dramatic improvement in their quality management.

The organisation formed to run the campaign, the Euro-pean Foundation for Quality Management, plans to develop a wide range of awareness and management education activi-ties in collaboration with established business schools and other organisations. During the next year it hopes to recruit as "key memhers" a much larger hody of companies, including the offshoots of selected non-European multi-nationals such as Ford, Xerox

The foundation is being financed entirely hy the private sector, unlike past national quality awareness campaigns in Britain and elsewhere. It is the brainchild of Philips, the Dutch electronics group, and an impressive list of co-sponsors has been assembled whose companies' prod-ucts and services generally meet most people's definition of quality. They include Bosch and Volkswagen from West Germany, Bull and Dassault-Breguet from France, Ciba-Geigy, Nestle and Sulzer from Switzerland, Electrolux from Sweden Olivetti from Italy and Sweden, Olivetti from Italy and KLM from the Netherlands.

Quality improvements

Surprisingly, the list also comprises three companies which, at least until recently, have been best known for their quality problems: British Tele-com, Fiat and Renault. The short explanation for their inclusion is that they have all been making improvements in the quality of at least some of their products and services, and that this recovery is con-

tinuing.
The reasons for the trio's membership also run deeper, and go to the heart of the foundation's professed purpose. As its founding letter of intent

AT A grand signing ceremony in Brussels yesterday, the chairmen and presidents of 14 can only be improved and sustained II it operates a quality management system which permeates every level and part of the organisation. Traditional "quality assurance" programmea among designers, engineers and production staff, and "customer care" campaigns among front line service personnel, have tended to be inadequate and shortlived he inadequate and shortlived when they are not reinforced, throughout the company, hy extensive training and motiva-tion programmes which breed a culture of attention to the customer and continuous improvement in all aspects of

Active leadership

Such a "total quality management" system, as it has been dubbed by leading corporate exponents, many of whom are Japanese, not only requires a whole panoply of companywide procedures and systems, but also the commitment and active leadership of top man-agement. To the foundation's fathers, it was British Tele-com's development of such an approach which qualified it for membership at this stage, even though its customers, employ-ees and shareholders have yet to feel the full henefit.

The presence of only one British company in the list is partly explained by the reluc-tance of several leading practitioners of quality management to encourage others to copy what they see as one of their specific competitive advan-tages. Another factor was thet the founder-membership fee was initially set much higher than the eventual \$50,000 a year. About 20 UK companies have already expressed inter-est in the next phase of mem-bership, which will be cheaper.

One of the foundation's first One of the foundation's first tasks will be to convince its potential audience that "total quality management" is more than just an alternative formulation of the vague concept of "excellence", and that its members really do have something concrete to teach their peers. Otherwise it is likely to prove a worthy but misguided effort.

weden is one of the most politically stable democracies in the world, which has enabled it to build up a management of the stable of the stabl lt to build up a prosperous economy and generous welfare state over the past 40 years. But the idyll could be coming to an end and at 8pm on Sunday, when polling closes in the general election, the country is likely to be plunged into protracted uncer

all the public opinion surveys suggest that the Swedish Green Party will not only secure more than the 4 per cent of the national vote it needs under the proportional representation system to win seats in parliament for the first time, but will also hold the balance of power because no political group will secure an overall majority. group will secure en overall majority.
Such a prospect is beginning to
alarm the established party leaders
because the Greens have made it very
clear that they do not internd to join in the consensual politics that has provided Sweden with a strong central government, dominated by the Social Democrats for 50 out of the last 56 years. As an inexperienced and unpredictable group, the Greens will make it very difficult for any government that emerges to pursue effective and coherent policies, particularly in the management of the economy.

in recent years the Social Demograte have negative added on the company.

crats have usually relied on the sup-port of the small reformist Communist Party to give them a majority in parliament, but recent opinion polls have cast doubt on whether the Communists will clear the 4 per cent hur-dle this time. This could force the Social Democrats to bargain with the Greens over the Government's legisla-

tive programme. in the opinion of Mr Kjell Olof Feldt. Sweden'a Finance Minister, if the Greens' economic policies were put into practice, the country would return to what it was like a century ago when it was one of the poorest in Europe. He suggested that the nostal-gic yearning among the Greens for a bygone age was dangerous for Sweden's continuing affluence, because it would lead to a huge budget deficit and a protectionist trade policy thet would destroy the country's overseas markets. He also helieves that the Greens' commitment to the closure of all Sweden's nuclear power stations within three years would precipitate the collapse of many industries, though his own party's decision to start phasing out nuclear power in the mid-1990s is itself causing alarm

in the business community.

Certainly the Greens' manifesto is imbned with a curiously Swedish combination of mellow nationalism and naivety. The party is hostile to the European Community. It wants to ban the export of Swedish armaments to anybody. The Greens favour measures to curb the use of cars and they are against the building of any more motorways. They oppose the construc-tion of the road bridge to link Sweden with Denmark. They want to impose heavier taxes on energy, industrial emissions, alcohol and tobacco. Above all, they hanker for self-sufficiency and simpler, more austere life-styles.

Mr Feldt's reaction to the threat of Mr Feldt's reaction to the threat of the Greens is understandable enough, particularly as he may need to take strong and unpopular measures during the three-year life of the next parliament to deal with economic difficulties, which the new party would be unlikely to support. But in a lackiustre and rather parochial campaign none of the party leaders has really been prepared to confront the Greens seriously often appearing to ignore seriously, often appearing to Ignore their existence. As a result, many voters may be unaware of what they are letting themselves in for.

There is an almost dreamlike quality about Sweden at the moment, made more poignant as one of the longest hot summers many Swedes can remember draws to a close. More than half the adult population owns summer cottages; more than a quarter owns a boat. It is not surprising, therefore, that Sweden should be



Robert Taylor explains why Sweden's general election on Sunday may result in no overall majority

The Greens may end an idyll

attracted by a party that wants to save the countryside and seas from pollntion. Indeed, by international standards, Sweden has been conscious of Green issues for many years and it adopted stiff regulations to protect the environment long before most of its industrial competitors. (In the past the rural-based Centre Party was regarded as the repository of Green values and in its present campaign posters it is claiming to be both "green and sensible".)

The Greens, who were founded in

1981 and won only 1.5 per cent of the vote at the 1985 general election, have certainly been helped over the past three years by the Chernobyl nuclear disaster and the effect of acid rain. This summer the death of seals in minds on the environmental threat. But many of those who intend to vote for the Greens on Sunday are not

doing so just because they want to make Sweden a cleaner country. They also see the Greens as an effective way of registering a protest against what they see as the corruption of big block politics and above all against the alleged abuses of state power by the Social Democratic establishment. The "affairs of the summer" — which led the the protection of the summer of the s led to the resignation of Mrs Anna-

Greta Leijon, the Justice Minister, for sanctioning a freelance inquiry by a Social Democratic publisher, Mr Ebbe Carlsson, into the unsolved murder of Mr Olof Palme, the former Prime Minister — do not appear to have inflicted fatal electoral damage on the Social Democrats. But they have undermined the confidence of voters in the rule of law and the ethical standards of public life.

PARTY VOTING September 1985 Liberals

Many commentators wrote in 1986 that the Swedes had lost their inno-cence as a result of Palme's assassination. The revelations of illegal arms deals by the Bofors company over the past couple of years have upset many Swedes who dislike the idea that their

country has been behaving no differently from many others in the pursuit of its own self-interest, despite a repu-tation for high-minded internationalism. But much of the attraction of the Greens comes from their comparative political innocence. This is perhaps why many Swedes across the right-left spectrum and widely differing income groups will be voting for them on Sunday.

The emergence of the Greens as a force in national politics also suggests that many Swedes want to look inwards and not concern themselves with the outside world, though this perhaps reflects a national mood of material contentment rather than any

metaphysical angst.
Indeed, the achievements of the has made many Swedes take their success for granted. In every general election since the 1960s, the issue of full employment was the highest pri-ority of concern to the voters. Now it has fallen to seventh place, to be

replaced by the environment. "The economy is not a campaign issue," declares Mr Feldt and he recites some impressive statistics to explain why. Unemployment is running at less than 2 per cent and there are serious labour shortages. When

the Social Democrats returned to power in Septamber 1982, after six years of right-wing rule, the budget deficit amounted to nearly 13 per cent of the country's gross domestic product, but now it is down to a mere 1 per cent. The annual level of industrial investment has gone up by 69 per cent ovar the past six years, and though inflation is higher than the OECD average, it is half what E was in 1882.

in 1982.

It is true that there are some tigns of overheating in the economy, with a real danger of wage inflation in the next round of pay negotiations, which could threaten Sweden's competitiveness. But Mr Feldt denies there will be a need for any post-election panic measures to cool down economic activity. His version of market socialmeasures to cool down economic activity. His version of market socialism, with its commitment to wideranging tax reform, deregulation and greater personal incentives, suggests that the Swedish model is going to follow the recent examples of Australia and New Zealand as long as this does not provoke any increase in programment.

does not provoke any increase in unemployment.

However, there are disagreements about that inside the Social Democrats. On several occasions Mr Feldt has been forced to appease nuion pressures against his economic judgment. The party'a campaign propaganda still uses the traditional language of solidarity and social justice, which seems alien to Mr Feldt's entrepressured outlook.

which seems aften to air results entre-preneurial outlook.

Many on the centre-right believe that Swedish Social Democracy is suf-fering from ideological exhaustion. Many Swedes on the left complain that the next under the that the party under its current leader, Mr Ingvar Carlsson, lacks the clarity of vision and sharp edge it enjoyed under Palme. But nobody who watches the Social Democrats in

who watches the Social Democrats in action in an election campaign can doubt their organisational ability and determination to get the vote out.

The parties of the centre-right, or what the Swedes call the bourgeois block of the Moderate (conservative). Centre and Liberal parties, have failed to seize the initiative or live down memories of their inability to work in harmony together when they were in harmony together when they were in office between 1976 and 1982. Last

office between 1976 and 1982. Last wack they were arguing publicly about their different tax cutting proposals and they lack any common ground on divisive issues such as defence spending and nuclear energy. Moreover, they do not seem to have been able to exploit the summer scandals. As a result there has been hardly any movement among voters from the left block to the centre-right. Indeed, many former centre-right voters appear to be going over to tha Greens.

It is very difficult for the non-So-cialist camp in Sweden to win an outcialist camp in Sweden to win an out-right electoral victory. With as many as 55 per cent of tha voters now dependent on the public sector for their livelihood (as pensioners or pub-lic service employees), a radical right or Thatcherite agenda of rolling back the frontiers of tha welfare state would be electoral suicide. For all the grumbles about the highest marginal tax rates in the world, there is no sign of an organised tax protest as in Nor-way and Denmark.

way and Denmark.

What strikes an outsider about the present election, however, is its insularity. Earlier this year a great debate began in Sweden on what its future relations should be with the EC in the context of 1992 and the single Euro-pean market. But there has been almost total silence on the issue by

Perhaps the voters are in no mood to listen. The Swedish dream evoked by the Greens is more seductive than pragmatic calculations of the profit and loss account with the EC. In the past, many Swedes have managed to combine their ideals with their self-interest. Now it may prove more diffi-cult. By electing enough Greens to deprive any government of a stable majority, the voters may make it very hard for the politicians to govern at all.

Guidelines on teachers' pay

THE BRITISH Government is in danger of giving the wrong signals on teachers' pay just as worries are mounting about sbortages of teachers in key subjects and locations. Unless enough high quality

graduates can be tempted into the profession, there is little chance of achieving the across-the-hoard improvement in educational standards which is the central aim of the new national curriculum.

The immediate worry centres on the 5.1 per cent limit for next year's pay settlement for the 400,000 teachers in England and Wales, disclosed this week in the Government'a remit to its pay advisory com-

A figure of about 5 per cent may not be wide of the mark as a general pay rise after the hefty increases flowing to teachers during the past two years. But the Government also wants to treat a string of special problems within this overall limit, including the need to attract teachers into certain subjects like maths and science, and raising the pay of

heads and deputies.

It is difficult to see how the pay advisory committee will be able to reconcile the 5.1 per able to reconcile the 5.1 per cent limit with both a reasoners and tha additional measures to deal with the problems identified by the Government.

Pay machinery

The medium term concern is what form of pay machinery will govern teachers' pay in the 1990s, replacing the present temporary arrangement by which the Education Secretary imposes a settlement after lis-tening to his advisory committee. Ministers are due to talk to the teaching unions about this next week, hut they have already made their views clear.

The Government wants to have a majority over the local authorities on the management side of a new negotiating group. The negotiating group would discuss the distribution of each year's pay rise, the size of which would be determined in advance by the Government. Recourse to arbitration would he rare and only with the agreement of both sides. Given that each I per cent on the teachers' pay hill adds

£75m to public spending, the

Government's reluctance to let go of the reins is understand-able. But it would be helpful to have some idea of how minis-ters propose to resolve the sbortage of teachers if they are to dominate the new pay machinery to quite such an extent.

The answer favoured by the main teachers' unions can be dismissed. Boosting the pay of all teachers would be a hluntly extravagant solution to a quite specific problem. Starting salaries are not far out of line: £8,859 is a reasonable entry point for a new honours gradu-

ate.
The problem is rather with teachers' career prospects. The most a classroom teacher can earn at present is £18,264. So, hy their late 30s, classroom teachers can, at most, increase their pay hy just over 100 per cent compared with their starting point. The Government'a own pay advisory com-mittee pointed out last year that, on average, honours grad-uates elsewhere boost their pay hy 150 per cent over the same period Faced with such discrepan-

cies, it is hardly surprising thet few high calibre students want to teach. Even fewer are likely to head for the class. room when competition for new graduates intensifies in the early 1990s. The trick will he for the Government to tackle that problem while keeping the lid on the overall teachers' pay bill.
One possible answer would

be to decentralise more control over pay to school level. The Government is committed to delegating financial power to governing hodies and school heads. Yet it is uncertain about whether to allow schools more than extremely limited discre-tion over teachers' pay, which accounts for two thirds of school costs.
Schools are best placed to

decide whether they really have to pay more to attract a good science teacher. The Government could sweeten such a system hy making alightly more central funds available for the overall pay hill in the 1990s. But first it would need to have the unions' assurance that they had dropped their bankering for a pay system which rewards mediocre teach-ers on a par with affective

Big time in New York

■ Harold Evans, the man who departed the editorship of The Times under some storm clouds, is returning briefly to Britain to put the final touche to a two bour television documentary be has helped to make on the American elections. "It is very critical," be says. "The theme is television is the election; the election is television. Even if Evans does not seem to like the American media's coverage of politics, however, he is not coming back to Britain for long. He is too happy in New York. He now edits the Conde Nast Traveller magazine, which has been going for a year. Always an amhitious man, he says that it is the only travel magazine that tells the truth about

travel. "It is a literary magazine with a travel back-ground." Like many American publications, it relies heavily on English writers. Circulation of the monthly is up to 850,000. "We have 76 pages of ads this month at about \$30,000 a page." Bnt, in answer to a question be admits that it is not yet

making money.

Evans's wife, Tina, is editorin-chief of Vanity Fair. "It'a
become the hottest magazine
in town," Evans claims. "It
used to be the coldest." He is also writing a book about American political history going back to Theodore Roos-evelt.

Howe plods on

■ Sir Geoffrey Howe continues to enjoy himself in Africa. The British Foreign Secretary yes-terday reached Zanzibar where he visited the island's extensive archives.

There are letters from Speke Stanley and Livingstone. "The stench at night is so gross one might cut out a slice and manure a garden with it," wrote the doctor from the

Observer

island he nicknamed Stinkibar. Howe was most struck, how-ever, hy a message from Lon-don to Britain's first political agent in Zanzibar. It is dated July 26, 1848 and reads: "I am directed by Viscount Palmer-ston to call your attention to the second paragraph of the memorandum forming enclosure 25C of the General Instructions by which you are informed that despatches addressed to this department must be numbered consecutively. You have done wrong therefore in numbering des-patches to other departments in the series of numbers which should relate solely to your despatches to the Foreign Office."

As one of the Foreign Secretary's aides commented: "The bureaucracy hasn't changed."

Bring it back

A suggestion: the British Parliament should sit for about 10 days every September. The news is quite different when MPs are not around to ask
Ministers questions and oblige
them to make statements.
What has been happening on the Government's Irish policy is only one example. If MPs felt overworked, they could make up for it by longer recesses at Christmas and Easter.

Jimmy who? ■ A lady meteorologist tells us that the decision to call alternate hurricanes by boys names was more a result of chivalry than direct pressure from female experts in the subject. When Jimmy Carter became President of the US, the National Oceanic and Atmospheric Administration was heavily male-dominated.

Carter instructed that opportu-



nities for women should be increased as be did for a number of other federal agencies Richard Frank, the then head of the agency, was very recep-tive, took on women staff and introduced the system of alternating between male and

female hurricanes.
The first male hurricane was called Bud, after his deputy Bud Walsh. There was never a hurricana Richard because there are seldom more than 15 hurricanes a year, and at the end of the year you start again with "a". There remains, we are told, some pressure to call more hurricanes by Hispanic names.

County climax

In county terms, it has not been such a bad cricket season after all. At the start of the season, you could get generous odds against Kent being in contention for the championship. Even now, full of end-of-season wisdom, it is find hard to believe that Kent are fighting it out with Worcestershire in a last match struggle.

Traditionally, bowling and fielding are the skills that count in the end. And Kent have fielded like champions this year, inspired by Chris Cowdrey's example and their first year of coaching by that superb fielder, Alan Ealham. Yet their batting and bowling have been hit and miss. The batting, in particular, was over-dependent on the South African, Roy Pienaar, Worcestershire are a pretty standard county fielding side, except for wicket-keeper Rhodes, but they are hiessed

with a batting phenomenon in Graeme Hick, and have some formidable bowlers in Dilley, Radford, Newport and Illingworth. Illingworth's left-arm spin has been crucial. The pre-season favourites were Essex, Lancashire and last year'a champions, Nottinghamshire, but Worcestershire, whom we tipped to win every other trophy, were always in the reckoning. Of the favour-ites, only Essex fulfilled the hopes put in them. Gooch, Bor-der and the admirable young Waugh provided strong enough batting to forget last year's eclipse and keep up the coun-ty's excellent record of recent

years, finishing a good third.
At the other end of the table, poor old Glamorgan have the final fixture and the chance to give the championship to Worcestershire, just as they gave it to Nottinghamshire last year. Kent are playing Surrey. Clearly, fortune favours Worcestershire. We do not expect to be writing about wicket this winter. cricket this winter.

French push

■ New bumper stickers have started to appear on Eurocrats' cars in Brussels obviously looking forward to 1992. They bear the Community's official "Je construis l'Europe, je roule européen" (I am building Europe, I drive a European car). Nearly all the cars are

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POLITICS TODAY: Joe Rogaly

As the conservative tide ebbs

The cult of the individual, which is at high tide in much of the Western world, will The question is not whether, but when. In its place, I suspect, will be a return to the values of community. This is quite different from the notion.

of the collectivist state, which has been discredited.

These assertions require support. There is plenty to hand. In the United States Reaganite individualism has had a strong decade, but there is much evidence to suggest that what passes over there for its converse — a willingness to accept intervention from Washington - will predominate in the 1990s. This is certainly the view of the distinguished American historian, Arthur M. Schlesinger, Jr. He spells it out in The Cycles of American History, published in Britain by Andre Deutsch.

Professor Schlesinger has reviewed

a number of theories of cyclical altera number of theories of cyclical alternation between the pursuit of public purpose and the culture of private interest. They are explained by the natural discontent of the human being, whose wishes cannot be fully satisfied. "People can never be fulfilled for long either in the public or in the private sphere," he writes. "We try one, then the other, and frustration compels a changa in course... It always becomes after a while, "time for a change." Emerson. course . . . It always becomes after a while, 'time for a change'." Kmerson, Henry Adams, the modern economist Albert O. Hirschman, and various others have propounded versions of this phenomenon. Most of them can be sustained by some sort of fit with the actual course of US political history. The best fit of all is to be found in the exposition given by Professor Schle-

Mrs Thatcher's emphasis on the individual eschews community, even when backed by Scripture

singer's father, himself a distin-guished historian. In 1924 Schlesinger pers predicted that Coolidge conservation would last until about 1932; it was indeed superseded at that time by the New Deal. In 1939 he forecast that in about 1947 there would be a retreat from what of major social democratic bills were Americans call liberalism and Europe-promoted by and passed during Presians social democracy. Right on cue-what Truman called the "do-nothing, good-for-nothing" 80th Congress arrived. In 1949 the elder Schlesinger



about 1978. President Reagan was elected in 1980. Writing in 1985, the younger Schlesinger takes the cycle forward to shortly before or after the year 1990. when once again private interest will retreat before public purpose. This will mark the start of the ascendancy of the generation that came of political age in the Kennedy years, in fact the current conservative cycle has already nearly run its course. Liberalism began its come-back with the Democratic victories in the congresdonal mid-term elections of 1986. Mr

slonal mid-term elections of 1986. Mr
George Bush, the Republican candidate, is plainly aware of this. He has part-embraced the causes of education, child care and the environment.

The difficulty for the genuinely liberal Democratic candidate, Mr Michael Dukakis, is that the US polity is on the cusp. The label "liberal" is still a vote-repeller. Professor Schlesinger still maintains that the liberal phase will not be in full flow until the 1990s.

"This election is rather as if Kennedy bad run against Nixon in 1958 rather. had run against Nixon in 1958 rather-than in 1960," he says. "It will be a squeaker (I think)." That view was expressed in a letter written in mid-July, when the polls were still indicat-ing an easy Dukakis victory.

If the cyclical theories are right if

hardly matters who wins. A number dent Nixon's first term, while the Kennedy-Johnson liberal stream was still in full flow. The Democrats' Pres-ident Carter, on the other hand, was as much caught by the incoming conwrote that there would be a return to liberalism around 1962 — which, as it turned out, was two years into the Kennedy presidency. On the basis of that same 1949 prediction, the next conservative epoch would begin in

political cycles probably differ from those that govern the US, but during the 1980s the conservative phase has been synchronised right across the

Many British opposition politicians are now telling themselves that, if only Mr Dukakis were to win, people would cease to believe in the inevitability of a series of further Conserva-tive general election victories. The great Reagan-Thatcher bubble would have burst. Now that Mr Bush is doing better in the opinion polls than he was at the beginning of the sumhe was at the beginning of the sum-mer this upsurge of hope has receded. It should not have done so. Mr Bush, is not conservative to the core, and his campaign indicates that he is no less likely to be the prisoner of a liberal cycle, at least on domestic pol-icy, than Mr Nixon turned out to be. If the hubble does not leavest under Mr the bubble does not burst under Mr Dukakis, it may well sag slowly under

This thought should give courage to European politicians on the centre-left. Some, like the West German social democrat Mr Oskar Lafontaine, and the French socialist Mr Jacques Delors (now President of the Euro-pean Commission) are seeking new answers. Others show various signs of answers. Others show various signs or depression. In Britain, where the annual party conference season is about to begin, it is a case of near-terminal despair. What can they offer? The case made by F.A. Hayek in The Road to Seridom seems to many voters to have been proved; political freedom and aconomic freedom are indidom and economic freedom are indi-visible. Control over the economic activities of individuals leads inexorably to control over all aspects of their lives. Planning - socialism - leads

to dictatorship. All this was certainly true in the extreme instances of Hitler's Germany and Stalin's Russia, both in the forefront of Hayek's mind at the time he wrote his famous polemic. Whether it would be true under a British Labour government is uninteresting: no cycle is likely to favour pre-1980 style socialism again

There are, however, more than two options. The British centre parties should place strong emphasis on tha value of citizenship, which is something beyond the concept of the individual as a mere consumer or voter. All opposition parties have an open field in seeking a late-20th century definition of community. The notion of belonging to a community, and on occasion subserving one's own interests to that of its general membership, is as old as the extended family, the tribe, and, indeed, the nation.

The British Prime Minister has the British Frime minister has been widely quoted as expressing a disbelief in "society" as a concept, but she does of course understand that when young British soldiers give their lives in Northern Ireland they are deling as to defend the greater computer. doing so to defend the greater commu-nity to which they belong. Mrs Thatcher's emphasis on the responsibilities of individuals eachews community, even when her interpretation is backed by an idiosyncratic invocation of Scripture. This remains true when the newly-rich are urged to give of their money, and their time, to the less fortunate. For community, like

nation and society, is an abstract concept, with a meaning beyond the sim-ple act of salving one's conscience by giving charitable donations.

Politicians wishing to understand

Germans, starting, perhaps, with Fer-dinand Tonnies' Gemeinschaft und Gesellschaft, Community and Society, published in 1837. Like so much in sociology, this description of types of social cohesion has been much misunderstood and misused. Fundamentally, Gemeinschaft suggests ties of blood or the heart the family, the sub-tribe, the monastery. Gesellschaft suggests organisation for a purpose: a business, a civil service, perhaps a political party or even a trade union. You need to reflect for no more than a minute or two to see that there is a little of both qualities in most buman groupings. There is blood-brotherhood in the most husinesslike army, com-mon purpose in every monastery or clan.

To the bottom-line economic minds of Thatcherite Ideologues such specu-lative stuff is the next worst and most inexplicable thing after pornography. There is reason in this: tha freemarketeers are the product of a mod-ern rise of individualism that has followed the recession of religious belief and accompanied the growth of capi-talism and technology. Sociologists, and most of all German sociologists, seem to speak of a forgotten past. What is more, they muddy the waters most dreadfully.

Yet market-dominated individualism is something so new in human history that we cannot be certain that it provides all the answers. It does not seem to in Britain, when the least competent of the underclass are urged to stand on their own two feet (not much Gemainschaft there), or when every action, in bousing, use of the countryside, jamming of the roads, or even the growth of robbing and mug-ging, seems to be in tune with the

Market-dominated individualism is so new we cannot be certain it provides all the answers

worship of individualism as an exclu sive way of life. The grotesquely-named Community Charge has the very businesslike effect of transferring some of the cost of administering to the needs of local communities from tha backs of the rich to the shoulders of the poor.

Do not get me wrong; individual freedom is the human race's most precious recent achievement. The market economy is an essential part of that freedom. What needs to be worked ont now is how to reconcile it with the concept of fellow-feeling, of commu nity, which may be the most precious human inheritance. This will be done by someone. The political cycle will

LOMBARD

Odd man out in space

By Peter Marsh

THE KENNEDY Space Centre in Florida, in the US, is a good place from which to mull over the usefulness of extravaganzas in the cosmos - and on the role of the state in these activi-

The centre, the main launch site for the US space shuttle fleet, is at the focus of a civilian space programme which, since the Challenger tragedy of January 1986, has been desperately hard hit. In the public eye, however, it is still highly American taxpayers provide

about \$9bn a year for the pro-gramme. It has taken 12 people to the moon, and stimulated the development of a range of technologies, including tele-communications and microchips. But in other ways the direct, quantifiable payback from the US's space activities has been small.

Despite this, doing things in Despite this, doing things in space commands a great deal of support among the US public and the political establishment. There is little argument shout baving government — rather than the private sector — take the lead, both in paying for and organising space developments.

What does this mean for Britain, which in the past year has opted out of being a significant player in industrial and scientific work in space?

The US space programme fulfils a need felt by the aver-age American to see his or her country adopt a strong position in an area widely linked to technological advances. The men and women involved in space ventures are associated with a sense of adventure which is important in any com-

munity.

There is also the certainty that, whatever else happens over the next few centuries, space developments will play an increasingly important part in influencing life on earth. These ideas, and the acceptance by governments of the key role of space, are part of the established thinking not just in the United States, but in much of continental Europe, Japan, and the Soviet Union.

Britain is the odd one out.
The UK's refusal to go along with the consensus stems partly from the reluctance of Mrs Thatcher's Government to put state resources behind industrial activities which it bility of the private sector. Hence the official UK line: that if private enterprise will not come up with the billions of pounds needed for ambitious projects outside the earth's atmosphere, then the schemes must go unsupported. (These attitudes are buttressed by the historical point that the record of British governments in organising large-scale technological endeavours has been patchy, except during the Second World War.)

The official view in Britain on the limits of state action manifests itself not just in deliberations over celestial matters, but in many other, more mundane, earth-bound

areas.

To take one example, the Government is failing to come to grips with London's worsening transport problems.

The UK capital's overloaded roads, railways and underground train system are run-ning to the limit of their capac-ltles, but there is a general unwillingness to use the powers and resources of central government to deal with the

The US space sbnttle programme itself provides a hint of the way in which private and public sector should be able to co-operate. While the Kennedy launch centre is firmly under US Government control, only about 2,000 of its 16,000-strong workforce are on the state organisation's payroll; the rest are employed by private contractors.

There can be no cries bere of the US Government acting as smotbering nanny. Rather it provides a framework for action – which is what it was elected for. Many parts of the American establishment – politicians, engineers and admin-istrators, employed inside and outside government — have struggled over the past two-and-half years to put right the defects in the space programme which the Challenger

accident showed up.

This kind of spirit should be emulated in Britain. Our children will not forgive us if we persist in the pigheadedness which, in the past year, has characterised the UK's approach to space policy.

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Protectionism by quota

From Mr Daniel Moylan. Sir, Mr Bridge (Letters, Sep-tember 10) argues that the case for defending the interests of consumers from trade protectionism is based on a semantic confusion: Are not most consumers also producers, making up on the roundabouts of pro-duction what they lose on the swings of consumption? But his signature is followed

by: "Chairman, The Textile Industry Support Campaign." while the consumption of tex-tiles is universal in the UK, participation in production is confined to the handful of workers, managers and share-holders who have benefited from a continuous succession of protective arrangements, based mainly on quotas, allowing them to exploit British con-sumers by maintaining artifi-cially high prices for clothing.

cially high prices for clothing. Producers and consumers are not "mostly" the same people. There is a large minority of non-productive UK consumers, including the old, the unemployed and their dependents. They are often poor. Clothing (like food) accounts for a higher proportion of their budget than is the case among the wealthier "producer" classes.

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Thus protection by quotas in the textile industry is actually a universal, regressive tax authorised by Parliament, the proceeds of which flow to the tertile industry.

Questions as to how continu-

ation of these arrangements can be squared with the com-petition policy of the Government may be addressed to the Hon. Francis Maude MP at the "Department for Enterprise," and to Mr de Clercq at the European Commission. Daniel Moylan, Egan Associates, 7 Kensington High Street, W&

'Highly intelligent mice'

From Mr Hugh Aldous.
Sir, I'm not sure that Nick
Tarrant is right to say (Letters,
September 13) that accountancy — or the legal profession, for that matter - attracts able people from university who might otherwise add value to industry and the economy. The education system in the UK brings on people who like tackling academic problems in a remote way. They like words, paper, concepts and discussion; not action, production floors and discussion;

and direct involvement with a workforce. workforce.
In a previous generation such people would have made good civil servants, managers of the British Empire, and academics. Today they can earn very large profit shares work-ing in big firms of accountants

economy. I also doubt whether, by their nature, they necessar-

ily can do so. How many of them could run their own busi-ness outside the still-sheltered garden of their profession? How many make a day-to-day contribution to the running of their clients' businesses? How many managing partners have been looking for the spirit of enterprise and real business

acumen among a pretty grey To some extent the professions have lost men of stature, style and acumen, and attracted large numbers of highly intelligent mice. The increasing size of a decreasing number of large firms has made the culture even greyer. we need to turn some of the mice into men again. Then Nick Tarrant might be right. But if that happened we might also be able to do more than

or lawyers.

I doubt whether they or indeed their firms are making the best contribution to tha

186 City Hoad, EC1 The recruitment season opens

From Miss C.H. Danges.

Sir. Max Findlay's interesting article on the shortage of law graduates (September 14) makes the valid point that "it is going to be that much more difficult for undergraduates to obtain truly indepandent advice on where to apply".

Having been involved for each t veers in recruiting artieight years in recruiting arti-cled clerks, I believe that the undergraduate's own judgment is the best guide on which firm of solicitors to choose. I would of solicitors to choose. I would recommend that they talk to third year undergraduates who have already made a choica. I recommend, too, that they apply for summer vacation jobs in different types of firm (applying just after Christmas).

This will help them decide

which firms they should apply to for articled clerkships; they should then apply to not more than 10 or 12 firms. If thay have a choice among offers, their decision should be made on the basis of the impression made on the applicant by the people in each firm. An under-graduate should choose the firm where he er she feels that thay have most in common with the people who work

we do now for real value-added

enterprise in our economy. Hugh Aldons, Robson Rhodes,

Wa are at the beginning of the articled clerk recruitment season. I wish everyone concerned - candidates and firms - the best of luck. Harriet Dawes, Articled Clerk-Partner, Lovell

Connection loud and clear

From Sir Eric Sharp, Chairman, Cable and Wireless. Sir, The merger of the East-ern Telegraph Company and the Marconi Wireless Telegraph Company in 1929 as "Cable and Wireless" (Letters, September 15) was not designed simply to "protect" cable interests, but was a vol-untary merger established to develop telegraphic communications both by cable and by wireless telephory

wireless telephony. That fusion of the competing technologies, in fact, became the model followed in the development of telegraphic communications throughout the world - and indeed was swiftly followed in the US with a similar merger.

The first Cable and Wireless court of directors included Signor Marconi, and so he has segnor mirrout, and so he has every right to serve on C&Ws celestial board. Incidentally, I can assure Mr Gruenberg that there was no bad connection; the message came to me via Mercury — and therefore came through loud and clear. Bric Sharp, Cable and Wireless, Mercury House, Theobalds Road, WCI

PCBs not used

From Mr A.R. Josling.

Sir, Your reference to moves in Canada to phase out polychlorinated biphenyls (PCBs) in the manufacture of electrical equipment (September 9) could imply that PCBs are used in the UK capacitor industry.

We have not used PCBs for We have not used PCBs for at least 12 years. To the best of our knowledge no UK capaci-tor has used them since then.

RIC, Podds Lane, Romsey, Hampshire harvests. Now DSM, one of Europe's largest chemical companies, has helped realize In co-operation with the Research

Station for Fruit Growers in Holland, the researchers at DSM have developed a com-

It used to take four to six years for pletely new fertillising technique for north- able: since we improved the drip, we've a fruit tree to produce fruit. And people al- west Europe. They call it 'fertigation'.

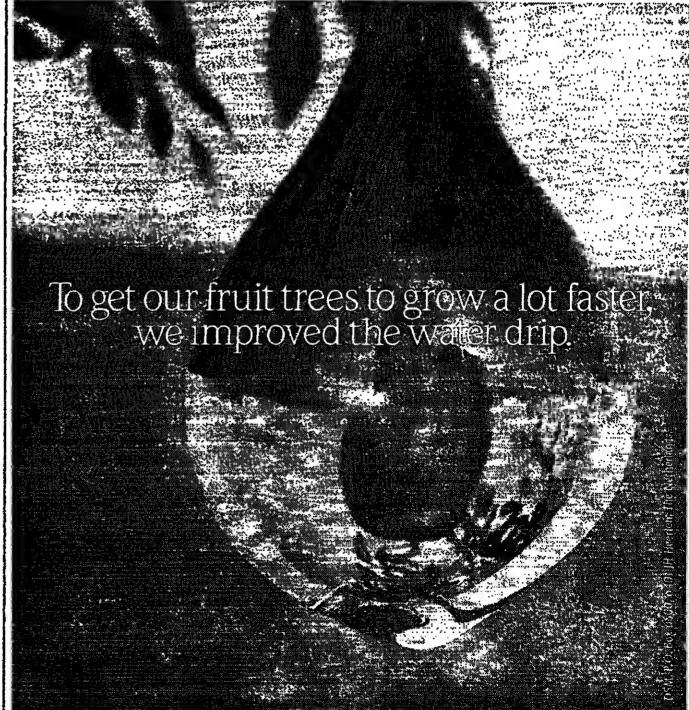
drip irrigation system. The drip, however, is enriched with a special fertiliser which is fully soluble in water.

Thus the mots receive, drop by drop, moisture and nutrients. In exactly the right amounts. The results are remark- If we don't have a solution, we find one,

been able to harvest at least a year earlier.

Fertigatioo is one of our technologies which is certainly bearing fruit.

DSM (S



New standards for TV transmission could be international

From Mr Andrew Vere. Sir, The US decision against the 1125/50 high definition television/video option (Letters, September 8) is another example of government intervention preventing international com-

mon standards television equipment was in monopoly into a duopoly, the UK. Wa should ask our State interference in Eu

salves why that base has been eroded - all that remains is peripheral and film transport equipment. The reason is that the UK domestic customer base was state controlled. Even after the 1955 introduction of independent television the situ-In the 1950s and 1960s the ation did not change it was industry base for producing simply a case of transferring a

has provided repeated exam-ples of "good intentions" frus-trating and corrupting the potential basis for a whole new generation of entreprenential ideas. The Eureka project may well be successful — in 10 years time - but by then the UK will no longer have any single manufacturer capable of producing high volume televi-

Broadcasters have dominated TV transmission in Europe. But non-broadcasters provide the customer base for the new television technology. The 1125/60 line system will be used to produce and generate high quality pictures, no mat-Andrew Vere,



FINANCIAL TIMES

Friday September 16 1988



Ford to build electronics plants for \$185m

FORD MOTOR of the US is to invest \$185m to build two electronics plants in North Amer-ica and West Europe to meet surging demand for electronic

The \$68m European plant, which is to be located near Cadiz in soutbern Spain, was originally to have been sited in Dundee, Scotland.

Ford abandoned its plan to invest in the UK earlier this year, however, in the face of bitter inter-union wrangling over a single union agreement for the plant.

Mr Oscar B. Marx, automotive components executive director of Ford's diversified components operations, said that opposition in the UK to a single union plant had prompted Ford to look else-where.

The company's "past experi- officer, said that electronics

ence with Spanish workers had been most favourable." In addition to the Spanish plant, which will be Ford's first facility in Europe for the pro-duction of sophisticated elecdiction of sophisticated electronic engine management systems. Ford is spending \$117m on a similar US plant. The US facility will be located at Upper Gwynedd, Pennsylvania and will replace the nearby outdated electronics plant at Lansdale.

Antomotive electronics is one of the fastest growth sectors in the world motor industry, and according to Ford the average worth of electronic contents in a car is forecast to rise to as much as \$1,600 per car by the mid-1990s from \$250 in 1980 and only \$25 in 1970. Mr Harold Poling, Ford vice chairman and chief operating was "the keystone in the oper-ational performance of tomor-row's vehicles."

Both the Spanish and US facilities will produce so-called EEC-IV electronic control modnles (ECMs), the on-board computers which are designed to manage critical aspects of engine performance, fuel economy and emissions control.
The EEC-IV ECMs are already used on most of Ford's

North American car and truck range, but in West Europe such engine management systems have been limited to Ford's top-of the range Gran-ada/Scorpio and some Sierra

The earlier introduction in the US was forced by tighter emission control regulations, and demand for more sophisti-cated electronic engine management sytems is now expec-

ted to surge in West Europe as stricter controls are also introduced by most European coun-

The Spanish electronics plant will be located at Puerto will employ around 350 people. Pilot operations are scheduled to begin in 1990 with full capac-ity reached in 1993.

Mr Marx said the new plant would act as a magnet that would draw other electronics suppliers to the Cadiz area. Cadiz, which once boasted a shipbuilding industry, is one of Southern Spain's most depressed zones.

depressed zones.
Ford's refusal to establish the plant at Dundee followed opposition from the TUC to a "single union" agreement the company had reached with the engineering union, the AEU, Although the future Cadiz

factory is unlikely to have a single union it will have, as do all industrial plants in Spain in observance of the domestic labour legislation, a single works council or workers committee, on which elected members of different unions sit to negotiate with the management.

Under this Spanish system, Mr Marx said, it was possible for a company like Ford to accept more than one union.
'In addition to Spanish union practices, Ford has evidently also been attracted by solid financial incentives to invest

in Spain. Yesterday the Spanish gov ernment approved a straight Pta 2.89bn (\$23m) subsidy, and a further, undisclosed sum has been awarded to the US com-pany by the regional govern-ment of Andalusia.

Testing time for economic co-operation

David Marsh on today's meeting of the Franco-German Finance Council

ODAY's Franco-German talks in Frankfurt look at first sight like a meeting between an irresistible force and an immovable object.
Mr Pierre Beregovoy, the
French Finance Minister, will
be greeted by his host, Mr Karl
Otto Pöhl, the president of the Bundesbank, as the climax to a summer of French sniping at the West German central

bank's monetary policies. The two sides have good reason to play down differences. A display of goodwill seems likely at the planned lunchtime press conference.

But over the longer term,

French and German economic policymakers will have a tough job avoiding conflict.

Today's gathering is the third full session of the Franco-German Finance Council grouping finance and economy ministers with central bank governors, created last Jann-

ary. Outside the public eye, the French and German central banks during the last few years have made considerable progress in improving co-operation. for instance over currency

intervention techniques.
But at the more overt political level, the air has been thick with controversy. Potentially at least, today's meeting will provide an opportunity for Mr Beregovoy to renew this sum-mer's criticism of the Bundes-

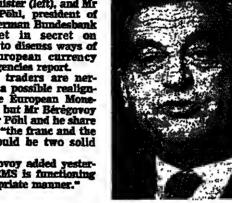
West German efforts during the past few months to support



Mr Pierre Beregovoy, French Finance Minister (left), and Mr Karl Otto Pöhl, president of the West German Bundesbank (right), met in secret on Wednesday to discuss ways of calming European currency markets, Agencies report. Currency traders are ner-yous about a possible realign-ment of the European Mone-

tary System but Mr Bérégovoy said that Mr Pöhl and he share a view that "the franc and the D-Mark should be two solid

Mr Berégovoy added yester-day: "The EMS is functioning in an appropriate manner."



interest rate increases and heavy dollar sales run counter to efforts by Paris to stimulate its economy through easier

The Bundesbank's action to stiffen the D-Mark against the dollar has also threatened strains in the European Mone-tary System (EMS). The franc has come under selling pres-sure on rumours of a forthcoming currency realignment.

Neither France nor Germany wants a realignment now. French and German inflation rates are converging, and unit labour costs are growing more slowly in France than in Ger-

But the Bundesbank feels a D-Mark revalnation cannot be too long delayed in view of the

German exports to the rest of

The signs of shakiness this month in the EMS mean that both France and Germany will want to avoid any statements today likely to encourage a speculative run into the

Fear of EMS tensions was a factor behind Mr Baregovoy's public criticism in July that the Bundesbank was falling to consult its partners over dollar

The claim was hotly denied by Mr Pohl. Lately, however, the French Finance Minister has been more stoical. action last month in pushing np money market interest rates following the 0.5 point

count rate indicates that Paris is giving priority for the moment to maintaining the franc's EMS value.

Additionally, latest German statistics showing a 3.9 per cent real increase in GNP in the first half this year are likely to disarm French criticism that Bonn is not doing enough for the world economy. French and German officials say Mr Gerhard Stoltenberg, the Bonn Finance Minister, gets on better with Mr Bérégo-voy than with his conservative

Nonetheless, Mr Bérégovoy's Summer outburst scarcely endeared him to the Bundesbank, which is fundamentally suspicious about the aims of

predecessor, Mr Edouard Bal-

The treaty establishing Franco-German Finance and Def-nece Councils, which both gov-ernments wanted ratifled by this autumn, is being held up by a dispute over the central bank's autonomy.

The Bundesbank was highly irritated in January when it was informed by the Bonn Finance Ministry at the last moment that the Council would to be set up not through a simple inter-government agreement but under a legally binding treaty.

The Bundesbank's view that the Council is partly a French ploy to encourage West Ger-many to take a more expan-sionary, and thus more infla-tionary, policy has some adherents in the Boun Finance Ministry and in parliament.

But Mr Hans-Dietrich Genscher, the Foreign Minis-ter, strongly opposes the Bund-esbank's line that a preamble be inserted in the treaty stressing that its autonomy be unaf-

The row over the Bundes-bank's independence is important above all because it affects the delicate balance of power between Bonn and Frankfurt.

The rumpus over a possible loss of independence was a set-back to Mr Pohl's authority within the policymaking Bundof the reasons behind a cloud-ing of Mr Pöhl's relations with the Finance Minister over the

THE LEX COLUMN Racal wrings the right number

The Racal publicity machin moving into top gear with the pathfinder prospectus for Racal Telecom; and while this is suf-Telecom; and while this is sufficient reason to be sceptical about some of the boasts being made about one of the world's biggest cellular phone operators, it promises to be one of the more exciting stock market debuts for some time. Whatever one feels about the future value of the business, Racal's ability first to challenge, them to overtake BT in the race to establish the premier UK company in the field is a considerable achievement. In less than six years, it has built a company which is expected to earn after-tax profits of £55.7m in after-tax profits of £55.7m in the current year, and is grow-

The company has no gearing, and is self-financing, but while the estimated price of up to £1.850n is well below the £2.40n bandled about a few months ago, a prospective mul-tiple of between 28 and 33 times earnings will make some investors catch their breath. Even assuming that the com-pany raises its earnings by another 80 per cent in the year to March 1990, this would still put the prospective multiple at well over 50 per cent above the market. By US standards, though, the issue looks far less expensive; and if the Scandina-vian experience is a guide, the UK cellular phone market will grow and grow for a very long time.

However, the increasing cost of incentives, and the recent complaints about the quality of the service, raise questions about the sustainability of curabout the sustainability of cur-rent gross margins of over 50 per cent. And while competi-tion from a third operator is a long way off, Racal Telecom's ability to continue growing its earnings rapidly during a recession still has to be tested despite the alluring arguments that the Vodafone is an efficiency tool, proof against economic downturns.

Guinness

Though the market may be showing a puzzling lack of interest in the current results season as a whole, its cantious response to Guinness's 21 per cent rise in interim profits is more understandable. The figure is merely another snapshot in a time of exceptional ment in spirits - 8 per cent after stripping out the Schen-ley acquisition - comes after a period in which 200 distribu-tion agreements have been scrapped around the world,

Share price relative to FT-A AS-Share Index

and the proportion of overseas distribution in the group's own hands has gone from 25 to 75 per cent. Taken with the asso-ciated upheavals in the stock chain, this obviously makes the statement of profits a fairly discretionary affair.

Besides the problem of forecasting earnings, it is particularly hard to judge what rating those earnings deserve. On the plus side, it seems clear that shaking off the bad old ways of Distillers promises growth above the industry average; and the balance of sales between Europe, the US and the Far East is exemplary. The group also stands apart from the monopolies investigation into the brewing tie, and in narrower stock market terms is still a theoretical buyer of close to a tenth of its own

The offsetting drawbacks are nothing if not public - the Takeover Panel ruling on Dis-tillers, and the threat of litigatillers, and the threat of litiga-tion from Argyli. In the medium term, there is the subtler threat of earnings dilu-tion, should the LVMH agree-ment break along natural lines with Guinness paying a suit-ably fancy price for Moet Hen-nessy. More subtly again, if the world drinks industry resolves itself into winners and losers. itself into winners and losers, Guinness may pay the win-ner's penalty in being denied a bid premium. After six months of outperformance, the stock'e rating is in line with Grand Metropolitan and Allied Lyons; that may be enough to be getting on with.

BTR's 31 per cent rise in market's tentative change in attitude towards cutcast conglomerates. In the last few months BTR has outperformed the market by about 10 per cent, and Hanson by 15, as

their diversity of business and location suddenly seems desir-able to investors anxious about rising interest rates and the rising interest rates and the squeeze on consumers. But yesterday's figures show BTR's marits to be not merely defensive. All the old arguments about the company's growth coming mainly from acquisition, and there being a limit to vising margins, seem to have rising margins, seem to have missed the point – as does the assumption that big equals

slow-growing.

Despite a market value of \$4.8bn, the company is likely to £4.8bn, the company is likely to increase its earnings this year by more than 20 per cent, and next year by a little less. While the acquisition of ACI is responsible for part of this, most is now of the home grown variety. Some of the 20 per cent "organic" growth in the first half is tied to acquisitions, in that it represents further cost savings from recently purchased companies, but increasingly growth is coming from investment in existing busiinvestment in existing busiinvestment in existing businesses. This year BTR is to spend one and a half times depreciation on capital investment, which should keep profits moving forward even when the present gap in takeover activity feeds through to earnings and when demand slows.

BTR may never again be a glamour stock, but it surely deserves more that its single figure p/e multiple. It is these

figure p/e multiple. It is these prospects, rather than yesterday's somewhat odd free gift of a warrant, that may cause investors to look again at the

If RTZ had the same sort of attitude towards accounting for profits from major asset sales as Consolidated Gold Fields, then its first half profits would have looked even more impressive. Even so, it is hard to fault a 77 per cent rise in attributable profits; and while this sort of performance is not going to be matched in the second half, a one third rise in the interim dividend is a useful clue to the company's own profit ambitions for the full

Balance sheet gearing is down to 10 per cent, and could be eliminated overnight if RTZ sold its Lasmo stake. But the group is in no hurry to deploy its undoubted financial fire-Meanwhile, the shares are selling on a prospective multiple of 8, reflecting the fact that the as optimistic as RTZ about the outlook for base metal prices.

Jayawardene to step down in Sri Lanka

PRESIDENT Jayawardene of Sri Lanka, who is 82 tomorrow, has decided not to stand in the forthcoming presidential elections due between December 4 and Janu-

ary 3.

His decision comes as he faces one of the most unusual and potentially serious tests of his 50-year political career with the violent and proscribed JVP party organising a nationwide period of "birthday mourning." The JVP is asking all shops and businesses to close today and all bomes and buildings to fly a white flag, the Buddhist mourning colour, over the

The police have been busy trying to prevent the insult to the president by warning businesses not to take part in today's hartal (strike) and the

Moscow reveals nuggets on gold

ings have been channelled into upgrading his trading room.

"We bave Reuter dealing systems, telexes, direct-dial phones." And his traders are not supply that human and callers.

not just buyers and sellers There are some relics of even

Stalin's era, bowever, thet glas

nost has not changed. It was Stalin who declared informa-tion about the Soviet Union's

gold production a state secret.

Continued from Page 1

Junins Government has told shop-anka, who keepers and private bus opera-tors that failure to maintain normal services will make them punishable under emergency regulations.

Both his reputation as a shrewd and feared patriarch as well as the credibility of his 11-year rule are at stake. The Indian Government

announced a unilateral fiveday ceasefire yesterday in its campaign against the minority Tamil Tiger guerrillas in Sri

Paradoxically, as the minority Tamil problem seems, at least temporarily, to be being contained, President Jayawardene's difficulties with his own majority Sinhalese ethnic group worsen through the JVP's increasingly violent cam-

Continued from Page 1

On its present course, it will

hit the coast near Brownsville on the Texas-Mexican border

by early this afternoon. But even if it veers away, it is likely to cause extensive dam-

age elsewhere.

If the burricane veers north,

"it could actually rake a good portion of the Texas cosst." Mr Robert Sheets, director of the US National Hurricane Centre

in Miami, said,

The ruling United National Party's presidential candidate in place of Mr Jayawardene is to be Mr Ranasignhe Prema-dasa, the Prime Minister, who was one of the strongest oppo-nents of the Indo-Sri Lankan peace accord which met many of the Tamil demands.

Mr Premadasa was in Japan and not properly consulted when the accord was put together. His choice as candidate will worry Mr Rajiv Gandhi, Prime Minister of India; conversely it should do much to calm the JVP, whose hatred of Mr Jayawardene is not reflected in its view of Mr

Texans prepare to weather storm

One possibility is that Mr Jayawardene will assure the Indians that he will remain party leader and in effective command until Mr Premadas

The burricane, which was classified as force five, the strongest category, lost some power as it crossed the Yucatan on Wedndesday. But it hecan to receip strength yes.

began to regain strength yes-terday as it crossed the Gulf.

Last night it was moving north-west at about 24kph.

or Mrs Sirimavo Bandaranaike, leader of the SLFP, the main opposition party, is installed as president on February 4. Such a statement could, however, heighten suspicions that Mr Jayawardene will still try to pull strings if his party wins.

The JVP, largely supported by youth in the south of the island, certainly means business. Last week, a bomb in the heart of the city killed five and injured 30. The dead included the manager of a hotel that had disregarded a JVP call to mourn the death of a pro-JVP lawyer who died in police custody.

On Monday the JVP paralysed Colombo, the suburbs and many provincial towns and brought all transport to a

area of Galveston was one of

the first areas to be evacuated, as roads serving the area were expected to be flooded by tides three to four feet above normal

Police in the state will be on

UK expects first major delivery of mail today

By Jimmy Burns, Labour Staff, in London

THE UK Post Office last night said it expected the first major national deliveries and an ini-tial flow of mail between Britain and abroad to be under-

way from today.

The prospect of the first effective breakthrough since the ontbreak of the national postal strike two weeks ago increased following the decision by over 30,000 postal workers in London to return.

London sorting offices, led by the traditionally militant Mount Pleasant, handle more than one-third of all Britain's mall and are the gateway for all foreign mail.

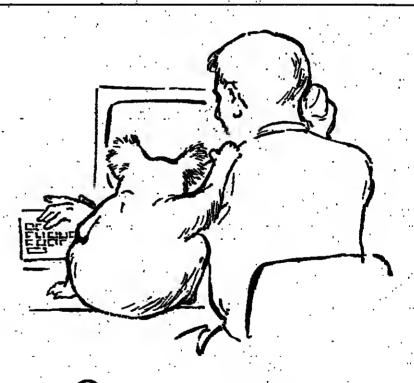
Bariler yesterday there was a significant development when about 4,600 postal workers in Glasgow agreed to go back. The prolonged strike there had been holding np deliveries throughout Scotland because Glasgow acts as a major distribution centre.

By last night the return to normal work by staff in Lon-don and Scotland and the reopening of 69 of the 82 key mechanised sorting offices meant that about 20,000 of the 100,000 members of the Union

of Communication Workers remained on strike.

Mr Bill Cockburn, the Royal Mail's managing director, said last night: "It is becoming increasingly clear that those for other than the second of the communication of the co few offices still on strike are out of step with the national mood for a return to work, and I urge them to join with the others. They owe it to their customers and to their fami-

However, UCW officials denied that those still on strike were flouting the instructions of their union. They said that under the peace deal struck by the UCW and the Post Office it had been left up to individual branches to agree arrange-ments for returning.



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WORLD WEATHER

the alert throughout the storm to prevent looting. The city Winds of between 210kph and 225kph are expected when it hits the Gulf coast today. issued an emergency ordnance against profiteering on storm materials. In Texas, the West Beach

Price Waterhouse signal Continued from Page 1

been no moves so far in the US to follow suit.

To surmount the legal obsta-cles "a unique type of organisa-tion that permits the retention

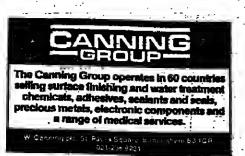
of capital and the attraction of outside capital," would be nec-essary, said Mr Connor. Promoting the Price Waterbouse name is part of a long-term project to prepare the market for an equity issue. Meanwhile, Price Waterhouse could raise money in a public debt issue. "Tapping the capital markets on a long-term basis is a near-term objective of the manage-

ment committee of Price Waterhouse World Firm." Waterhouse World Firm."

Arthur Andersen is the only accountancy firm so far to have raised money publicly, with an issue in the US short-term commercial paper market. It has also raised \$100m as part of a long-term project to develop its main US training centre.

Mr Don Hanson, in charge of Andersen's UK firm, said his firm had no plans to sell shares in the firm. But he went on: "It may be that we will have to

may be that we will have to seek equity finance in the long term."



FINANCIAL TIMES COMPANIES & MARKETS

TAYLOR WOODROW

Friday September 16 1988

LVMH bubbles over ahead of meeting



for LVMH, France's lead-Ing champagne, cognac and luxury products group. Over 11 per cent of the company'e shares have changed hends in hectic bourse trading; its share price hit a new peak and it now boasts the largest stock market capitalisation of any French company. All this is just a prelude to next

week's special shereholders meeting which will determine the new management structure of the group. Page 26

Futures get a wary welcome

A dramatic show of local support greeted the new Tokyo and Osaka stock index futures con-tracts which npened elmultaneously with e feetive bang earlier this month. But demand for futures trading has fellen steeply because September is the end of the fiscal year for many Institutions, stock market activity has been sluggish and because futures trading remains still relatively novel in Jepan. Page 48

Kenya's robust coffee grind



The quiet undulating heartland of the Kenyan coffee industry contrasts sharply with the tumultuous activity of the internatinnal coffee community. While prices heve tumbled and costs increased, Kenya has the added insult of e

quota system that dis-criminates against its high quality output. But Kenya'e burgeoning population and the need for economic reform are forcing the pace of change. Page 42

India sees borrowings surge India is likely to boost its borrowings in inter-

national markets by as much as 25 per cent.

this year. The country's foreign exchange needs are tied to financing vital imports for modernisation of industry and development. projects, but last year's drought meant a surge in food grain and cooking oil imports, creating a large trade gap, Page 32

Merrill and Kleinwort in challenge to Japanese



Merrill-Lynch and Kleinwort Benson are preparing to become market makers in equity war-rants, challenging the flett. They will be the first firms to re-enter this voletile sector of the

last summer, but ironically the decision to return comes at the end of an equity warrant boom. The market is now saturated. Page 32

Market Statistics

Base lending rates European options excir FT-A indices FT-A world indices Financial futures

Aberdeen Fund Mgrs

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23: London share service 23: London traded options 41: London tradit. options Money markets World commodity prices World stock mkt indices

Companies in this section

Agiv Alida Holdings Anglovaal Industries
Assoc British Ports Barrett (William) Battery Group Bellwinch Boase Massimi Polt Candover Investments 32 Morgan Crucible Charterhall Coles Myer Coloroll Corporate Estates DOT Group Du Pont East Asiatic Epwin Group Equity & General FN Herstal Finley Packaging Future Holdings Garton Engineering George Incham Goodby Berlin Granada Group

Guinness*

Hysan Development

Intercurope Tech.

25 James Neill Holdings 32 London International 26 London United Invs 25 Lordon United MVs 31 Lowndes Queensway 24 Magnolia (Mouldings) 32 Manchester Ship 32 Manders Holdings 36 McLauchlin & Harvey Mecca Leisure Memory Computer Merchandising Group Mrs Fields. Netional Telecome. North Broken Hill Perry Group 30 25 30 26 30 28 30 31 Pleasurama Ramers Rolls-Royce Royal Life Holdings SD-Scloon Saudi Cairo Bank Schroders Suchard TR industrial & Gen. TVC Gen. Telephone Trusthouse Forte 25 25 Tyndall Holdings ... Westpool Inv Trust 32 Wyevale Garden

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Linde takes over **Lansing Bagnall** fork lift group

By Terry Dodsworth, Industrial Editor, in London

in e deal that will reinforce Linde's position as the leading manufacturer in Western Europe. The surprise agreement, for an undisclosed sum, fullows a far-reaching shakeont in the world industrial truck market over the last few years. Linde has built np its position through e steady acquisition programme in

For Lansing, the deal means the end of 45 years of indepen-dence as one of Britain's most effective private equipment manufacturing companies. Sir Emmanuel Kaye, chairman of the Kaye Organisation, which owns Lansing, and the doyen of the UK's industrial truck industry, said yesterday that the company had decided to join forces with another materials handling com-pany "to meet the needs of the single European market in 1992."

The two companies had products and geographical strengths that were largely complementary, he added, and Lansing would be allowed to retain a high degree of

Dr Hans Meinhardt, Linde chairman, said that the company intended to build on Lansing's products and facilities. "Over the next few years we will be making substantial investments in new

LINDE of West Germany is buying Lansing Bagnall, the UK's further to improve Lansing's largest fork lift truck company, international competitiveness,

he added. According to industry analysts, Lansing, which manufactures in Germany as well as the UK, is placed around seventh in the world league of forklift truck manufecturing companies. Its turnover last year amounted to £235m (\$400m), and it has 5,100 employees, but its profits have been under some pressure in recent years. Although it has not revealed figures for last year, the company made around £6m in

Linde is e much more diversified company, with interests spreading from process plant to refrigeration equipment. About DM1.4bn of its total sales of DM4.1bn (\$2.3bn) came from its materials handling division last

The West German company has led the rationalisation of the European industry over the last few years, when industrial truck manufacturers throughout the region have been struggling to cope with overcapacity and flerce

. As part of this process, it acquired Fenwick in France four years ago, and more recently has bought Wagner in West Ger-many. It also has strong interests in Spain, Italy and Switzerland.

HCA to go private in \$3.3bn buyout

By James Buchan in New York

HOSPITAL Corporation of America (HCA), the largest US hospital chain, is seeking to go privete in e \$3.3bn deal that could herald a big consolidation of the troubled industry.

Stock in the Nashville-based company, which pioneered large-scale for-profit health care 20 years ago, rose sharply on Wall Street yesterday in response to an offer of ebout \$47 a share from the company's management. Stocks of other public hospital companies rose in expectation that they might follow suit. HCA, which has turnover of

\$4n a year, said yesterday that management led by Mr Thomas Frist, the company's chairman and founder, had told directors they were seeking to hny the company in a leveraged buy-out.
The board said that special outside directors would consider the proposal, which would be at or about \$47 a share and substantially in cash. It was not clear

how the deal would be financed and neither HCA nor Mr Frist would comment further.

For Mr Frist, 50, yesterday's announcement is the boldest in a series of steps to re-organise his company in the face of a graelling slowdown in its once booming business. Founded in 1968, the company rode the huge expansion in US health care. But since 1983 when the US Compress. since 1983, when the US Congress introduced tough measures to cut the cost of the Medicare national health insurance plan, HCA has been faced with declining occu-pancy rates and falling profits.

The company's net income has fallen from \$297m in 1984 to about \$158m before special items last year. in e move last year that presaged yesterday's announce-ment, Mr Frist sold off 104 less profitable hospitals and reduced the company's capital employed by paying back debt and buying in stock (also at \$47 a share).



Berthold Beltz: Excellent

FRIED. KRUPP Net profit and loss (DM millions)



Plant making 14% Electronics 5% Steel 34% Trading 23%



Humbling of a German giant

David Goodhart examines the declining fortunes of Fried. Krupp

The company's deteriorating finances and senior management rows are frequently picked over in the West German press. Its once loyal workers took to the streets over plant closures earlier this year.

And one of the world's more unpredictable governments, the Islamic Republic of Iran, not only owns 25 per cent of the company hut seems increasingly disaf-fected with the miserable return it has been earning. It denies, however, last week's reports that it wants to sell the stake.
How Krupp reached this pass illustrates, according to many

analysts, the dangers of a corriously German form of corporate control - the philanthropic foun-Unlike some major German

companies, such as the industrial group Thyssen, Krupp did not replace the discipline of family control with the discipline (and fresh cash) of the stock market once family involvement had

petered out.

Instead, in the late 1960s, it clung to the financial form and paternalistic attitudes of family nwnership, by establishing a Krupp philanthropic foundation, which held all the group's shares.

Ownership by passive founds. Ownership by passive founda-tion is not always disastrous -

Bosch shows. But it can produce an unhealthy concentration of In the case of Krupp, one man, Mr Berthold Beitz, now nearly 75, both controls the foundation and is chairman of the group's super-visory board. Moreover, he has a

reputation for intervening in the daily management of the group.

Mr Beitz - currently vicechairman of the International Olympic Committee and widely

RIED. Krupp, once the epitome of German industrial might, is learning to live with humiliation.

RIED. Krupp, once the regarded as an international statesman first and husinessman first and husinessman example. The second - has had a remarkable career. At the age of 27, he was statesman first and husinessman second – has had a remarkable career. At the age of 27, he was running Poland's oil industry for the Third Reich hut used his power to save thousands of Poles and Jews from deportation to

death camps.

Mr Alfried Krupp, the last family owner of the group, needed a new chairman with an unblem-ished reputation after his release from prison in 1952 - having served part of e sentence related to the company's wartime activi-ties. Mr Beitz, who had made a name for himself in the insurance industry, agreed to take the

The sprawling empire of steel, armaments, capital goods and shipbuilding, which had grown up over a century, quickly shook off the effect of wartime bomb-ing. Mr Beitz, according to col-leagues, had little interest in technology or strategy, but thanks to his excellent contacts – particularly in the East bloc – proved an accomplished sales-

He also proved a difficult man to work for and although many of Germany's leading business figures have worked at Krupp,

few have stayed.

This would not have mattered if the business had been prospering. But after Alfried Krupp's death in 1967 a serious financial crisis emerged and Mr Beltz was moted to run the n Krupp foundation while Mr Her-mann Abs, head of Dentsche Bank, which lead the rescue, became supervisory board chair-

Mr Beitz fought back and in 1970 succeeded Mr Abs. He then ran through four management board chairmen before settling on Mr Wilhelm Scheider in 1980. eanwhile, Europe crisis had begun in 1974 and in the same year Government to pay Dm 1.4bn for a 25 per cent stake in Krupp. With the benefit of hindsight, most Krupp-wetchers believe that was a regressive move. The Iranians were undemanding shareholders more interested in tech-nology transfer than dividends. Control remained firmly in the hands of the foundation - in nther words Mr Beitz - and rationalisation was postponed by

Mr Beitz persuaded the Iranian

the cash injection. Today Fried Krupp remains the 17th largest company in Germany, employing 65,000 people, and in most years it makes a small profit on its turnover of over Dm 14hn (\$7.6hn); but its underlying finances - and especially those of the steel subsidiary - are not healthy.

In its last eccounts bank bor-

rowings and other liabilities amounted to Dm 5.6bn against equity of less than Dm 2bn.

Critics say it is not fair to place too much blame on Mr Scheider, who has had to cope with peri-odic differences with Mr Beitz and some demotiveted senior managers. Despite these difficul-ties, be has sold off the troubled shipbuilding side and developing the promising electronics divi-

Nonetbeless, diversification out of steel bas been agonisingly slow, and Krupp has long suffered a higher cost base than its competitors. While other steel exposure to steel, Krupp's steel turnover actually rose from 25 per cent of the total in 1975 to 34 per cent last year. Mr Gerhard Cromme, whn

became chairman of Krupp Stahl after his predecessor left amid allegations of business malpractice, did finally grasp the nettle last May and commenced closure of the Rheinhausen plant in the face of hitter union resistance. Stahl's weakness through to several steel competitors —
has been only sporadically covered by the other divisions;
machine huilding has been
patchy and the trading arm (now per cent owned by Lonrhn of the UK) is unexciting.

To cap it all the plant building

division has just unexpectedly turned in a large loss for 1987, which press reports put higher than Dm 100m. Whatever the cause the unexpectedness of the loss indicates a lack of manage-ment control. There are industry rumours that Thyssen and Man-nesmann may take over the divi-

his latest slip, which earned the management board a rare public reprimand from the supervisory board, may bave snapped the patience of Krupp's banks, tired of unmet performance forecasts.

Now, bowever, there ere rumours that some form of restructuring may be on the way

- though it is far from clear to
wbat extent this would stem from internal pressures within the group or external pressure from the banks.

Nor is it clear where any shake-up would leave Mr Beitz. He has recently invited a few heavy-weights, such as Mr Alfred Herrhausen, current boss of Deutsche Bank, onto the board of more independent opinion. Whatever bappens, it is a com-

mon view among industrialists that it is no longer just the health of Fried. Krupp that requires decisive action. Tha chief executive of one competitor said: "A wounded Krupp is bad for Germany. Ontside the country people do not realise what e difficult time it has had, and it is still a symbol of the quality and reliability of our heavy industry.

Top manager quits Porsche in US after sales fall sharply

suffered badly from last year'e started curstock market crash and the rise network. nf the D-Mark, yesterday announced the departure of its top manager in the dominant US 17,000 cars in the 1938-89 model

market where sales have been particularly hard hit.

Mr Juhn Cook, 61, will step down as president of Porsche Cars North America at the end of this month. He has held this position since the subsidiary was set up in Reno, Nevada, in 1984. Mr Cook's decision to leave was taken against the background of impending organisational changes in the US and in agree-ment with Porsche, the company

PORSCHE, the West German sharply, trimmed its workforce, sporis car company which has suffered badly from last year'e started cutting its German dealer

year, Porsche also expects some of its North American dealers, currently numbering just nvar

300, to stop selling its models.

The impact of the sales slump
has already caused a considernas already caused a considereble npbeaval in the Stuttgart
company's management. The
extrovert Mr Peter Schutz, born
in Berlin and brought up in the
US, was replaced as chairman by
the more retiring Mr Heinz Branitzki at the start of this year.
It was Mr Schutz who took the
company more heavily into the

some 60 per cent of sales before the collapse, a level which the company is seeking to reduce to 50 per cent. Branitzki was previously finance director.

Yesterday, Porsche said the changes in marketing strategy aimed at restoring its exclusive image in the US and elsewhere it is upgrading its model range, especially et the upper end meant that a younger team was needed, capable of bearing con-siderable strains.

Mr Cook, who has been in poor health, will provisionally be replaced by Mr Frederick Schwab, finance director of the US subsidiary, until a successor

Following its sales difficulties, company more heavily into the the company has cut production US market, which accounted for

Kraft gives up Parmalat chase

KRAFT, the leading US food processing group with nearly \$10bn in annual sales, yesterday admitted that it has given up from "foreign multinationals." hope of acquiring Parmalat, one of Italy's largest food and dairy companies.

In an unusual public statement that was made first to employees of the Milan-based Kraft Italia, the US company conceded that Parmalat talks."

nearly four months of difficult could not accept the essential negotiations between Kraft and conditions of our offer." This ref-Parmalat. The very existence of erence to conditions appears to the talks, which could have seen concern Mr Tanzi's refusal to Kraft spending more than L700bn relinquish management control. (\$500m) to buy Parmalat, was denied on repeated occasions by Mr Calisto Tanzi, the mercurial chairman of Parmalat who is also a close friend of Mr Ciriaco De Mita, the Christian Democrat

two weeks ago when he said that he had rejected an offer with "attractive values" that came

Yesterday Kraft said in its statement that "after a detailed analysis of the Parmalat group we made a formal acquisition offer at the end of July which was not negotiable." Kraft said this is the definitive end to our that following a Parmalat shareholders meeting on September 3 The disclosure came after the Italian company "told us they

The Kraft-Parmalat negotiations ran into political controversy in Rome during the summer months. At the end of June e formal closing date for the deal was even set, according to those Mr Tanzi's only comment came involved in the talks.

But both the political wrangle and the full legal audit on Parma-lat's books by Milan lawyers for Kraft caused repeated delays. The issue of bow to deal with Parmalat's debt burden of around L500bn further complicated the

With the Kraft-Parmalat talks now-formally ended analysts in Milan say that Mr Tanzi still needs to find a solution that will enable Parmalat to deal with its financial commitments.

erconsorzi Coldiretti, the national federation of Italian farmers' cooperatives, on bnying an equity stake in Parmalat. But even this "national solution" was yesterday looking dimmer in the light of remarks by Mr Arcangelo Lobianco, the Coldiretti president, to the effect that there is no short-term plan at hand.

IMPORTANT ANNOUNCEMENT

As a result of the postal dispute, you may not have received details of the following IBC CONFERENCES in 1988.

> • THE MANAGEMENT AND MARKETING OF UNIT TRUSTS 3rd/4th October, Hotel Inter-Continental, London W1. Fee: £475 + VAT

• TECHNOLOGY FOR RETAIL BANKING 17th/18th October, Inn nn the Park Hntel, London W1. Fee: £485 + VAT

 SPONSORED EVENTS: THE COMMERCIAL ISSUES 1st November, London Marrintt Hotel, London W1. Fee: £230 + VAT

 PREPARING FOR EUROPE WITH INFORMATION TECHNOLOGY IN INSURANCE 3rd/4th November, Hyatt Regency Hotel, Brussels, Belgium. Fee: £525

• THE GROWING HEALTHCARE INSURANCE MARKET 21st/22nd November, London Press Centre, London EC4. Fee: £430 + VAT

IUBSSA INTERNATIONAL HOUSING FINANCE CONFERENCE & DINNER

21st/22nd November, The Connaught Rooms, London WC2. Fee: £495 + VAT ● TRUSTS 1988 - AN UP-TO-DATE REVIEW OF TAX PLANNING **BENEFITS & IMPLICATIONS**

22nd November, Cafe Rnyal, London W1. Fee: £230 + VAT

 DISTRIBUTING PERSONAL FINANCIAL PRODUCTS WITH EXPERT SYSTEMS 28th/29th November, Cafe Royal, London W1. Fee: £380 + VAT

● LLOYD'S: THE NEW AGENCY AGREEMENT - FINANCE ACT 1988 -REINSURANCE TO CLOSE 29th November, Insurance Hall, London EC2, Fee; £235 + VAT

• FAMILY FARM - KEEPING IT INTACT 7th December, Royal Lancaster Hotel, London W2. Fee £230 + VAT

Strategic Planners, Marketing Directors, Systems Directors and Professional Advisers, together with many others in the Financial Services, Lloyd's and General Insurance, Tax and Legal Advisory and Business Communities will wish to attend.

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INTERNATIONAL COMPANIES AND FINANCE

Zayre to sell loss-making discount chain to Ames

By Roderick Oram in New York

ZAYRE, the US stores group, has agreed to sell its loss-making discount chain to Ames Department Stores for \$800m and a large minority stake in Ames so it can concentrate on its profitable specialty retailing

operations.
The Massachusetta-hased rne Massachusetta-haset company said it planned to pass on to shareholders a "substantial portion" of the proceeds from the disposal through a large stock huyback or other action. Its shares rose \$1% to \$24% after the announcement while Ames' slipped \$% to \$16V.

slipped \$% to \$16%.
Zayre has been seeking for sometime a solution to the problems of its 388 discount stores which reported operat-ing losses of \$69m on sales of \$1.4bn in the first half ended Angust 1. Specialty retailing and warehouse clubs, in con-trast, had operating profits of \$77.8m on sales of \$1.3bn in the

same period. Hit by competition. Zayre's primary goal was to restore the discount stores to health by. dise mix aimed at winning back their traditional low to modeate income families. But the stock market was

not prepared to give Zayre time to do so, Mr Steven Wishner, Zayre's treasurer said. By selling the stores to Ames and taking a stake in the company, the stores gain "breathing room in a sheltered environ-Ames has shown more suc-

cess with its discount stores which continue to expand rapidly. Analysts consider its clear strategies for the stores should help it turnround the Zayre stores. Both chains are pre-dominantly in eastern and midwestern states, though Ames stores have typically less sell-ing space and are in smaller communities than Zayre's.
Ames earned net profits of \$33m on sales of \$2.1bn last

Our discount department stores division represents an excellent fit with the Ames organisation." said Mr Maurice Segall, Zayre's chairman. Positive factors include complementary management skills, retail locations and distribu-

Zayre will receive net some \$220m cash from the deal out of which it will pay down some \$250m of its short-term debt. Most of the rest will be distributed to shareholders. The company will take a third quarter after-tax charge of \$110m arising from the discontinued

It will also receive Ames' preferred stock convertible into 8m common shares at \$25 each. Converted, the stake represents about 17.6 per cent of Ames common stock.

Zayre, which agreed not to raise its stake to above 20 per cent, will become Ames' largest single shareholder, and will nominate two of its directors and vote with its management on certain issues. The transac-tion should help Ames block unwelcome overtnres. Although no raider has emerged, the stock sometimes has been cited as a takeover candidate.

At the consolidated level, turnover rose slightly to BFr24bn, including BFr7.7bn from Browning, the small arms producer, which became a subsidiary — rather than a group division — in 1987.

Browning is expected to produce a profit for the year, but the part of FN can expect only the rest of FN can expect only a slight improvement, said the

cuts deficit,

sees further

FABRIQUE Nationale Herstal (FN), the problemstic arms and aeronantics offshoot of

and aeronantics of short the Belgium's Société Générale, has reduced its first-half loss and forecasts continuing improvement for the second six months of the year.

six months of the year.

Group turnover was unchanged at BFr11.5hn (\$174.2m), while net losses came to BFr579m, a BFr700m improvement on the first half of last year.

FN's main defence and jet engine-making divisions lifted sales by 2.5 per cent to BFr7.5hn, on which they made a BFr298m loss, an BFr800m improvement on the comparable period's BFr1.09hn deficit.

At the consolidated level, turnover rose slightly to

recovery

By William Dawkins

in Brusseis

a sight improvement, said the company.

It added: "These advances, while inadequate, reflect the efforts made by the group in its action programme for 1987 and 1988. These efforts will be continued in 1989." Those plans included a 1,000 reduction in the 8,000 strong workforce and extensive sectors. force and extensive cost-cut-

Anglovaal unit raises payout

ANGLOVAAL INDUSTRIES, the industrial arm of the

(\$1.5hm) from \$2.83hm and pre-tax profit to B390m from R246m in the year to June. Net earnings increased to R5.63 a share from R4.15.

on a set of capital adequacy ratios to be applied to each firm. These are expected to be ther improvement in the curamnounced by the end of this rent year even though a slower economic growth rate is forecast for South Africa.

FN Herstal | Cost of thrift rescues put at \$50bn By Anatole Kaletsky in New York

THE US General Accounting Office decided yesterday to raise to between \$40bn and \$50bn its estimate of the costs of rescuing the nation's insol-vent savings and loan institu-

The GAO, the official audit-ing arm of Congress, had previ-ously put an upper limit of \$36bn on the likely cost of thrift rescues.

The new projection, which GAO officials said would be formally disclosed in Congressional testimony, confirmed that the financial collapse of the thrift industry was likely to prove the costliest debacls in the history of US lending institutions, overshadowing even the Third World debt cri-

sis which erupted in 1982.

The GAO's figures will also intensify pressure on Mr Danny Wall, the emhattled chairman of the Federal Home Loan Bank Board, to issue Officials in the Reagan more realistic estimates of the Administration, including Mr

By George Graham in Paris

THE FRENCH Stock Exchange will present member firms on Monday with the details of the

major fund-raising operation designed to restore the

bourse's reserve fund after

heavy trading losses in late

1987 and the early months of

The complex operation is

designed to raise a total of around FFr700m from member

firms, banks and insurance

companies, to add to the FF300m remaining after the trading losses which led to the resignation in June of Mr Xav-ier Dupont as stock exchange

A subsequent operation will raise FFr500m for a guarantee fund, with contributions from

member firms weighted accord-ing to their exposure and to their capital bases.

The exchange has already imposed a minimum capital

level of FFr20m by the end of

this year, rising to FFr25m at the end of 1989, and is working

this year.

chairman.

A policy of greater realism, in turn, could raise further doubts about the ability of the technically insolvent Federal Savings and Loan Insurance Corporation (FSLIC) to continue guaranteeing depositors' funds. The GAO told Congress in June that FSLIC was insolvent, even assuming that the cost of thrift rescues could be confined within the lower because wastered within the lower

bounds previously used by the accounting body.

Mr Wall, however, has insisted that FSLIC's future cash flow would be sufficient to provide up to \$30.5bn for rescuing insolvent thrifts and that this sum would be adequate to solve the industry's problems. If, as expected, Mr Wall raises his estimate of the cost of thrift failures, he will be bard but to explain here the hard put to explain how the new costs are to be met.

Paris SE to unveil fund-raising

plan to restore its reserve fund

Wall, have repeatedly promised Congress that taxpayers funds would not be used to solve the thrift industry's problems. In recent weeks, however, these reassurances have begun to wear thin, eracerbating both the financial and the political differentiates of the thrifts.

difficulties of the thrifts.

The American Institute of Certified Public Accountants has told its members to question the value of FSLiC obligations listed as assets by res-cned savings and loan institutions, while some of the federal home loan banks have refused to accept FSLIC notes as collateral for emergency

borrowings.

Mr Wall initially responded to these challenges by asking Congress to put the full faith and credit of the US Government behind all FSLIC obligations. But after receiving an exiremely hostile response in the House of Representatives, he abandoned this approach

earlier this week.

Instead, he has asked the US
Attorney General for a legal
ruling which would confirm
the Administration's publicly
stated position that FSLIC
already enjoys full government
backing.

According to numerous
accountants, such guidance
might raise as many questions
as it resolved, since under the
US Constitution Congress,
rather than the President, is
ultimately responsible for fiscal and monetary matters.

Meanwhile. Democratic
Party leaders have pointed out
that thrift failures have been
due to a combination of deregulation, high interest rates,
managerial incompetance and
financial abuses. As such, the
Democratis argue, the thrift
industry's troubles are only
the first of many disastrous
bearies of Reaganomics which the first of many disastrous legacies of Reaganomics which will become apparent over the

Bid to force sale of Zenith unit

BROOKHURST Partners, a New York investment group, has initiated a series of court and shareholder actions designed to step up pressure on Zenith Electronics to sell its loss-making television and

video operations. Brookhurst group is asking a certain by laws governing Chi-cago-based Zenith so the partnership can try to get three of its nominees elected to Zenith's board. It also wants to shrink the company's board

The partnership, led by Mr Herbert Abelow and Mr Nicholas Ihasz, two arbitrageurs, said the actions were necessary to give Zenith a sense of direc-

In a letter to Zenith's board, the partnership said: "Zenith sbare owners have waited

achieve profitability. "Yet, after three and one half years of multi-million dollar losses, management offers no assurance that any action will occur or even be proposed."

The company, the last remaining US-owned television manufacturer, has been trying for some time to find a partner or buyer for its consumer prod-

from the company's succes computer operations, which constitute the other half of its

Losses from the division more than eradicated profits patiently for management to unveil a realistic plan to Delaware conrt to overturn

Du Pont president to be next chairman

DU PONT, the US's biggest chemicals company, yesterday named Mr Edgar Woolard, 54, as its next chairman and chief executive. He will take over next April from Mr Richard

Heckert, who is retiring.
The widely expected annonncement comes 18

New Issue

months after Mr Woolard took over at Du Pont as chief operating officer and president. Mr Woolard joined Du Pont in 1957 as an industrial engineer.

The tennis-playing Mr Woolard has a reputation as a relaxed individual who is not afraid of taking tough decisions. One Wall Street analyst said last night he thought Mr Woolward would continue Dn Pont's thrust in recent years to focus more strongly on the spe-cialist, high-value aspects to the chemicals business, with a consequent reduced depen-

ucts division, which accounted for nearly 50 per cent of its \$2.86bn in sales last year.

Brookhurst stressed it had no desire to takeover or try to run Zenith.

Anglovaal mining house, is raising its dividend to R1 a share from 75 cents, writes Jim Jones in Johannesburg.

The company lifted consolidated turnover to R3.71hm

The directors expect a fur-

The capital increase, which is expected to be put to a vote



chairman after heavy losses

on October 3. comprises a number of different categories of stock, designed to take account of the differing financial situa-tions of member firms. In addition to nine firms which have been in financial difficulties, a number of small firms are expected to find it hard to come up with their share of the capital increase.

Besides those banks and insurance companies which have bought stakes in stockbrokers, the insurance and banking industries will also take part directly in the operation. Because only broking firms can take shares in the Stock Exchange, the insurers and banks will each take over a small shell firm. One possible shell has already been found. Each industry will provide FFr100m and receive a separate category of cumulative preference stock. The exchange lost a total of

FFr614m - nearly 40 per cent -of its FFr1.6m reserve funds. principally through uncovered positions on the financial futures market. In July it amounced a further FFr700m of provisions to cover deficits at a number of member firms. Some of the banks which now own brokers have con-tested the traditional idea that

the exchange should be collectively responsible in the case of losses at member firms, calling instead for each firm to be required to provide its own capital back-up in relation to the extent of its risks. Disagreement on the amount of capital the exchange will

require has prompted the inclusion of a reimhursable tranche in the capital increase. | September.

Valmet issue 80% subscribed

By Olli Virtanen

THE PARTIAL privatisation of Valmet, Finland's first state-owned company, has been a

owned company, has been a qualified success, with 89.5 per cent of the shares on offer being taken up by investors.

The remaining shares will stay with Kansallis-Osake-Pankki and Postipankki, the two Finnish commercial banks that guaranteed the issue. The metal and engineering

group raised FM780m (\$176m), including a premium of FM680m, in the issue, which consisted of 6.5m shares priced at FM120. The issue was subscribed by 10,000 investors, including 1,600 Valmet employ-

es. The state's share in the group was reduced from 100 per cent to just below 80 per cent the maximum holding the Helsinki Stock Exchange allows any single shareholder in a listed company. Valmet plans to apply for a listing on the exchange in October. Valmet and Kansallis attri-bute the failure to sell all the shares to unstable market conditions and a flood of issues in



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INTERNATIONAL COMPANIES AND FINANCE

to HK\$765.3m

By Michael Marray in Heng Kong

INDUSTRIAL EQUITY Pacific (IEP), the Hong Kong listed securities investment vehicle controlled by New Zealand's Sir Ron Brierley, has reported net profits of HK\$765.3m (US\$98.1m) for the year to June, an increase of 82.5 per

Asset sales contributed most of the profits, while the recovery in the value of the group's share portions made an anticipated writedown of HK\$391m. announced in January, mnec-

Turnover more than trebled to HK\$15.4bn from HK\$5bn. Sir Ron said the value of Sir Ron said the value of IEP's portfolio had risen more strongly than markets in general. As at November 30 there had been a deficit of HK\$984m between the cost of the share portfolio and its market value but by June 30 this had turned into a HK\$1.758bn surplus. He added: "Although we were adversely affected by the October crash, we had little.

exposure to stocks whose worth was dependent on blue sky expectations or incestuous paper shuffling." Significant asset disposals

Significant asset disposals during the year included the sale of Higbee, the US stores group, which led to a gain of around HK\$500m, as well as the group's holding in Equity and Law, the UK life assurer.

Shares were also sold in Rediearn National Glass, Scottish and Newcastle Breweries.

Ameron and Union Special

Ameron and Union Special. Some HK\$651m in goodwill was written off after the acquisition of a majority interest in Tozer Kemsley and Millbourn, the British motor trader.

The company has announced a one-for-five bonus issue. Instead of a final dividend it will pay a second interim dividend of 20 cants, allowing New Zoolovia Zealand investors to take advantage of tax law changes which come into effect in October. The year's total is 30 cents against 20 cents.

Property Advance at boom in HK ANI to helps Hysan A\$74.8m

By Our Hong Kong

ribed

1.12512

HYSAN DEVELOPMENT, a Hong Kong property development and investment group, yesterday reported net profits of HK\$175.4m (US\$22.5m) for the six months which ended in lune are invested at 22.5 per June, an increase of 20.6 per cent over the same period last

year. Turnover rose to HK\$299.5m from a previous HK\$257m Hysan benefited from the carrent boom in the Hong Kong property market, where rental levels in both the com-mercial and residential sectors have risen significantly this

All the group's existing commercial and residential proper-ties are fully let and work is under way on several new developments in Hong Kong, in addition to a joint venture project in Shanghai. Hysan is in the middle of a

takeover bid for Paul Y Hold-ings, a local construction com-pany. Its general offer to ings, a local construction company. Its general offer to shareholders is open for acceptances until September 29.

The company also amounced yesterday that it year totals 10.2 cents a share.

has made arrangements for up from 9.3 cents.
its shares to be quisite malous.
An extraordinary charge of don through the Stock Exchange Automatic Quota-

By Our Financial Staff

AUSTRALIAN National Industries (ANI), the country's leading heavy engineering group, boosted net profits by 11.5 per cent in the year to June to reach A\$74.8m (US\$59.3m) compared with

The result, equity-accounted to include associates' contributions, came despite a dip in sales to A\$1.43bn from A\$1.46bn Although the com-pany did not break down divisional earnings, manufacturing operations were described as having produced an excellent improvement. The distribution side was also ahead in spite of difficult conditions for its

vehicle franchises.

However, ANI's contracting business suffered from a "substantially worse" result at Comeng Rolling Stock, attributed largely to reduced government orders and industrial unrest in Victoria.

Overall a reduced interest

Boost for Saudi Cairo

from SR1.91m, writes Finn Barre in Riyadh

The bank may therefore end

SAUDI CAIRO Bank, a troubled joint venture with Egypt's Banque du Cairo; has more than quadrupled pre-provision profits for the first half of 1988 to SR8.98m (\$2.15m) loans and advances to a 22 per cent interim rise in loans and advances to SR4.28bn and a matching increase in deposits to

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COMMERCIAL SURVEYORS AND ESTATE ACENTS

IEP lifts income | Coles Myer announces 1-for-8 scrip issue

By Chris Sherwell in Sydney

COLES MYER. Australia's franked, compared with the largest retail group, yesterday announced a one-for-eight scrip issue and a sharply increased issue and a sharply increased dividend payont when it reported record profits and sales for the 53 weeks to July.

The company showed a 50.2 per cent increase in net profits from operations to A\$328.3m (US\$260.5m), including equityaccounted earnings from associates. Retail sales reached

nue earner. Directors declared a final

previous year's 24 cents. Shares from the scrip issue will rank for the final dividend and will be free of income tax. One significant feature of the results was an extraordinary write-off below the line amounting to A\$313m, which among other things cover the goodwill arising from the purchase of Progressive Enter-prises, the New Zealand retail

A\$12,77bn, np 12.3 per cent chain.

from the previous year's A\$11.37bn. As expected, the figures confirmed Coles's position nies and Securities Commission not to comply with the sion not to comply with the recently-introduced accounting as the country's biggest revestandard requiring the amortidividend of 20 cents per share, sation of goodwill against making a total of 32 cents fully profit over 20 years.

Analysts also drew attention to the higher-than-expected profits from sales of non-current assets, which amounted to A\$55.8m and came on top of an impressive pre-tax operating profit of A\$522m, up 28 per

Mr Brian Quinn, chairman and chief executive, said: "All major areas of the corporation have met or exceeded our profit expectations. In the past, the group had displayed some areas of weakness bal-anced by other areas of

strength. He added that the group had improved its performance at the corporate level, in areas such as funds management, taxation and overall cost con-

trol, and it was benefiting from increased retail trading hours in several states.

Apart from the Progressive acquisition, which was the group's first international expansion, Mr Quinn said highlights of the year included a continued profit recovery in the department stores sector, Coles' expansion in the dis-count food sector and an increased contribution to profit from the Super K mart

group.
On the stock market, Coles Myer's shares finished 15 cents higher at A\$10.80, on a day when shares closed generally firmer. Coles shares have reached a peak this year of A\$11.25.

North Broken Hill raises net profits 75%

By Our Sydney Correspondent

NORTH Broken Hill, the Australian base metals and forreported net profits for the year to June of A\$103.7m (US\$82.3m), up 75 per cent from the previous A\$59.0m.

On an equity-accounted basis, net earnings were A\$101.9m, up 45 per cent. The results included five months' earnings from Peko-Wallsend, with which North announced a Atlbn merger last December. They came on the back of sales which rose to A\$1.84bn from

Because of the merger, the group wrote off A\$408m, repre-senting goodwill on the Peko acquisition and the cost of unexercised Peko options. As a result it reported an extraordi-nary loss of A\$371.7m. Although North's issue of

shares as part consideration for the acquisition increased the share premium reserve by A\$307m, the directors said the extraordinary loss meant no final dividend would be paid. Instead they proposed to declare an additional interim dividend of 5 cents out of prices for paper, export pulp-

1988-89 profits, payable in December. They had previ-ously declared a fully-franked interim dividend of 4 cents. A breakdown of operating earnings before interest and

tax showed a marginally weaker performance from the mining and smelting division, which contributed A\$66.6m against A\$70.4m.
The forestry and paper division, on the other hand,

improved its contribution to A\$82.5m from A\$75.5m, due to strong demand and higher

wood and some timber prod-

ucts.
The Peko operations performed more strongly than the previous year, thanks in part to record iron ore production at Robe River in the Pilbara region. They contributed A\$57.2m to North's profits over the five months from February. Another A\$69m came from Peko Oil and uranium producer Energy Resources of Australia, which became subsidiaries as a result of the merger. Dividend income doubled to A\$15m.

Canadian Imperial **Bank of Commerce**

NOTICE to the holders of

CANADIAN IMPERIAL BANK OF COMMERCE (CIBC) US \$100,000,000 1634%

Debentures due October 15, 1991 (the "Debentures") NOTICE IS HEREBY GIVEN that, in accordance with

Section 4.01 of the Ninth Supplemental Indenture providing for the issue of the Debentures, CIBC has elected to redeem all of the outstanding Debentures on October 17, 1983 (the "redemption date"). The Debentures will be redeemed at 101½% of their principal amount plus interest accrued to the redemption date. Interest on the Debentures will cease to accrue from the redemption date.

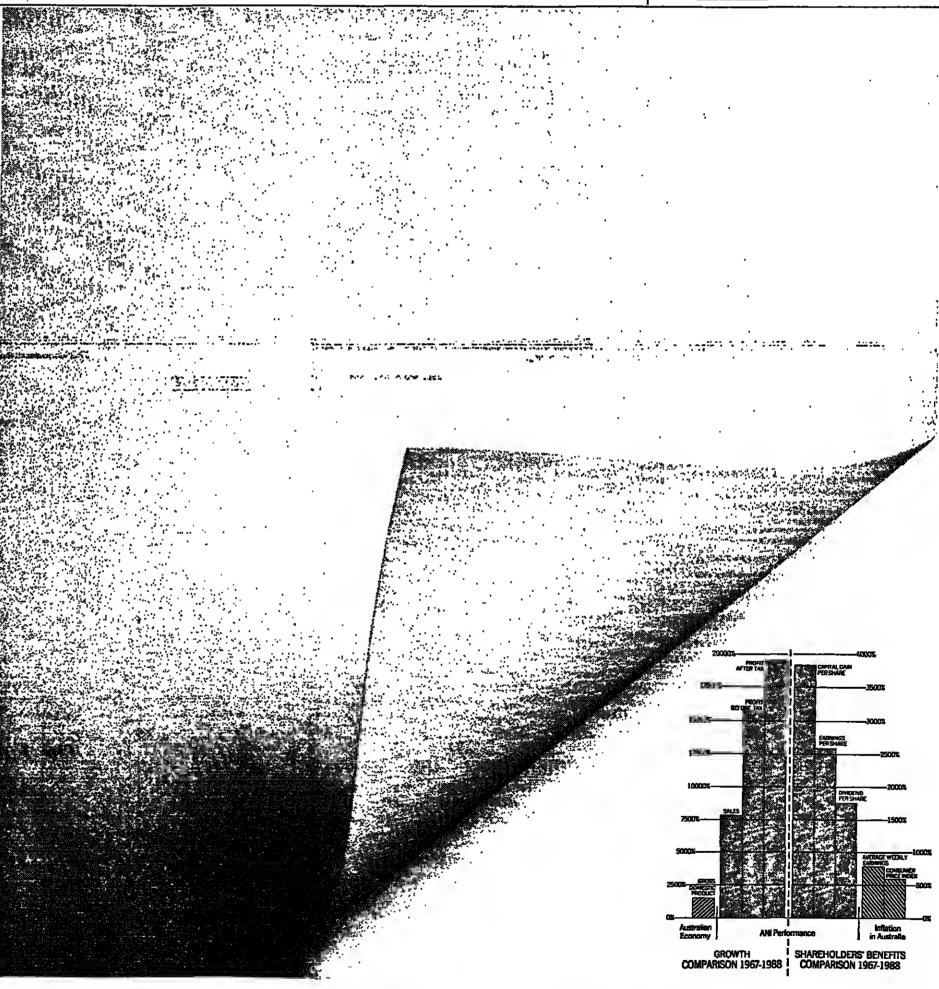
Payment of the redemption price will be made on or after the redemption date at the specified office of any of the Paying Agents listed below against surrender of the Debentures together with the coupon due October 13, 1989 and all unmatured coupons. In the event that the Debentures are presented for redemption without the coupon due October 15, 1989 or unmatured coupons, the face amount of such coupons will be deducted from the redemption price payable.

PRINCIPAL PAYING AGENT Canadian Imperial Bank of Commerce (New York) 20 Exchange Place New York, New York 1000S

PAYING AGENTS Canadian Imperial Bank of Con Cottons Center Cottons Lane

Morgan Guaranty Trust Company of New York, Avenue des Arts, 35 B-1040 Brussels.

Dated: London, August 17, 1988 for and on behalf of Canadian Imperial Bank of Commerc NATIONAL TRUST COMPANY



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ANI isn't exactly a household name, but that hasn't stopped us becoming one of Australia's largest and most profitable companies.

By the year ended 30th June 1988, ANI had achieved 21 years of continuous profit growth. Our record since 1967 has been:

	-		
	1967	1988 G	ompound rowth P.A
Sales	\$A19.0m	\$A1,433.7m	23%
Profit before tax	\$A0.7m	\$A110.9m	27%
Profit after tax	\$A0.4m	\$A74.8m	28%
Earnings per share		20.2 cents	17%
Dividend per share			14%

Every year since 1967, our profits before and after tax have increased. So have dividends

There aren't a lot of companies that can boast such a record, especially in the difficult engineering sector.

Our products and services are at work throughout Australia and the rest of the world, supporting industry and Government and helping satisfy consumer demand.

We export to over 30 countries and operate a growing range of international businesses.

We have four core divisions: contracting, distribution, manufacturing and service.

If you'd like to know more about our aims and achievements, phone or write to Debbie Potts (01-638 957i) at Dewe Rogerson Ltd, 31/2 London Wall Buildings, London Wall, London EC2M 5SY.

And all will be made visible.



Australian National Industries Limited THE INVISIBLE WIZARDS OF OZ

rcial Services Act 1986 by Moore Stephenses un au ted has a listing for its shares on the Sydney and Melboo

Schroders

Interim Statement

15th September, 1988

The Directors of Schroders Public Limited Company have resolved to pay an interim dividend for the year ending 31st December, 1988 of 6p per share on the Ordinary Shares of £1 each (fully paid) and on the nonvoting Ordinary Shares of £1 each (fully paid). This dividend is the same as the interim dividend paid in respect of the year ended 31st December, 1987.

The dividend will be payable on 27th October, 1988 to shareholders whose names appear in the Register of Members of the Company as at 29th September, 1988.

The profits of the Schroder Group for the first six months of 1988 were lower than in the same period of the previous year.

120 Cheapside, London EC2V 6DS

- EARNINGS PER SHARE (FULLY DILUTED) 13.7p
- PROFIT BEFORE TAX £7.015m
- TURNOVER £42.4m







Interest Rate

Interest Period

Interest Amount per

16th March 1989

U.S. \$10,000 Note due



U.S. \$125,000,000

onec

Oil and Natural Gas Commission

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16th September 1988

16th March 1989

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INTERNATIONAL COMPANIES AND FINANCE

Struggle for LVMH bubbling to a head

A race is on to build a leading stake in the luxury products group, writes Paul Betts

hares in Moet Hennessy-Louis Vuitton (LVMH) have been sparkling on the Paris bourse this week as the struggle for control of France's leading champagne, cognac and luxury products

cognac and luxury products group nears its long-awaited climax next week.

More than 11 per cent of the company's shares have changed hands in the last three sessions of hectic trading, which have pushed the LVMH share price to new highs and placed the group at the top of the market capitalisation league on the bourse, with a value of FFr37hn (\$5.8hn).

The protagonist of the latest

(\$5.8hn). The protagonist of the latest LVMH buying spree has, once again, heen Mr Bernard Arnault, the youthful chairman of Financiare Agache, who has rapidly emerged as the new strongman of the lux-

ury products group.
With Guinness as his part-With Guinness as his partner, Mr Arnault stepped into LVMH this summer, taking advantage of the rift which erupted between the Moët-Hennessy and the Louis Vuitton camps - constituting the wine and apirits and luxury products segments respectively - to build a leading shareholding position in the group.

With the approach of the special LVMH shareholders meeting in Paris next Thursday to approve a next manage-

day to approve a new management structure for the group, Mr Arnault and Guinness have aought during the last few

days to consolidate their posi-

Jacques Rober, the company 60 per cent held by Mr Arnault and 40 per cent by Guinness, had accumulated 30 per cent of LVMH shares on a fully diluted basis. This had cost FF12.1bn, of which Mr Arnault footed FFr7.3bn and Guinness

To finance his share, Mr Amoust drew FFrebn from his Boussac textile group and a further FFr3.3bn by a private placing of 42 per cent of the capital of his Dior holding com-

The private placing was completed on August 18, with 80 per cent taken up by French investors. These included Credit Lyonnais and the Worms groop, which invested about FFr500m each, and 20 per cent acquired by foreign investors, including Nippon Life which also invested

Mr Arnault and Guinness have increased their stake further to nearly 32 per cent of the actual capital or 37.4 per cent after full dilution. The majority of the 11 per cent of LVMH equity which changed hands during the last few days has been bought by the Arnault-Guin-ness parmership, reinforcing Mr Arnault's position before the shareholders' meeting. This meeting will transform the executive structure of the

group by setting up a new

But during the last few days,

Alain Chevalier (left) and Henry Racamier: must seek mon position on strategic direction

supervisory board which will subsequently elect an executive management board.

The new structure will pave the way for Mr Arnault to enter the executive suite of the group. There he is expected to play a very active role and, if he continues to play his cards

well, one day to take overall charge of the group.

Although Mr Arnault and Guinness have been the main force behind the hectic movement in LVMH shares, the Louis Vuitton camp led by Mr Henry Racamier is also understood to have been active in the market. This camp has been seeking

to consolidate its position as a

significant shareholder of the group by ensuring itself a blocking minority stake.

Before the latest share purchases, the Louis Vuitton camp had about 23 per cent of the shares and about 30 per cent of the voting rights since many of its shares carry double voting

rights.
The Moët Hennessy camp led by Mr Alain Chevalier, the current LVMH chairman, has between 14 and 15 per cent of the shares and between 21 and 22 per cent of the voting rights.

After the catharsis last summer, all sides have adopted a careful conciliatory tone before next week's special meeting. Mr Racamier, whose differ-

ent strategic ideas for the management of a luxury products group provoked the rift with Mr Chevalier, has continued to say that Mr Chevalier will be chosen to head the new executive management board. For his part, Mr Arnault has also said he holds Mr Chevalier in high regard and wants him to carry on running the group.

Thus, barring any last minute coup de theure, the special meeting is expected to approve the constitution of a new 12-

the constitution of a new 12 man supervisory board which will include four representa-tives from each of the three

Among the new board mem-Among the new board members are expected to be Mr Anthony Tennant, chairman of Guinness. This supervisory board is expected to elect its chairman the following Mon-day and subsequently elect the new executive management board, which will be responsi-ble for running the company. ble for running the company.

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The executive management board is expected to include at least four, and possibly six or seven, members. The current plan envisages Mr Chevalier as chairman with Mr Racamier, Mr Arnault and Mr Jean-Louis Masurel, LVMH's present man-aging director, all sitting on the executive board.

The constitution of this new top management structure will bring the curtain down on a significant new act on the LVMH saga, but it is unlikely to resolve the group's funda-mental management problems.

Agiv rights to raise DM54m By Our Financial Staff

CORPORATE

The Financial Times proposes to publish this

survey on:

22nd November 1988

For a full editorial synopsis and advertisement details,

Mark Jones

on 01-248 8000 ext 3565

or write to him at:

Bracken House

10 Cannon Street

London

EC4P 4BY

FINANCIAL TIMES

please contact:

SECURITY

AGIV, the West German holding company to which Ber-liner Handels and Frankfurter Bank has a stake of about 50 per cent, is to issue new shares to raise DM54m (\$28.8m).

Agiv said it would issue 200,000 shares at DM270 each through a one-for-nine rights issue. Shareholders would be

entitled to one new stock for every nine held.

The placement, lead-man-aged by BHF-Bank, will be offered to the public between September 21 and October 5. The rights issue includes a 33 per cent discount to Agiv's present market share price of about DM400. Agiv is one of West Germany's largest indus-trial holding groups.

Jacobs Suchard to pay bonus

By William Dullforce in Geneva

JACOBS SUCHARD, the Swiss chocolate and coffee group which lost the battle to take over Rowntree, will pay its shareholders a 10 per cent bonus from the extraordinary profit it collected when it sold its 29.9 per cent stake in the UK confectionery company to

the victor, Nestle. The bonus will take about SFr30m of the SFr529m (\$334.8m) paid by Nestlé. This compares with the SFr82.5m payout - at SFr165 per bearer share and SFr33 per registered share - declared for 1987.

Yesterday, Jacobs reported extraordinary net income from the takeover battle of SFr430m for the first half of 1988, after paying consultants' fees and other charges.

Jacobs said earnings on its normal husiness were lower

than the strong result achieved in the first six months of 1987. It gave no figures. Important products had contributed to the decline in net earnings.

For 1987 as a whole, the company posted a net profit of SFr265m on a turnover of SFr6.1bn. Sales climbed by 11 per cent to SFr29bn in the first half of 1988. The group said chang

in currency rates, cocoa and coffee prices combined to mask a 6 per cent increase in volne, attributable mainly to the chocolate sector.

The extraordinary income

gained in the Rowntree battle would enable it to pursue its expansion programme and the restructuring of its production apparatus, called for by the advent of the European single

Turnover at **East Asiatic** well ahead

By Hilary Barnes in Copenhagen

THE East Asiatic Company, the Danish-based international trading group, increased first-half turnover from DKr?.34bn \$1.01bn) to DKr8.49bn and pre-tex profits from DKr87m to DKr151m.

Gross trading profits climbed from DKri.69bn to DKri.92bn and earnings after net finan-cial items increased from DKr229m to DKr284m.

The group said exchange and

interest rate uncertainties made an accurate forecast for the year impossible, but it expected that both sales and earnings would increase by more than the 13 to 14 per cent seen in the 1987 annual report. Sales and earnings in all the group's seven divisions improved in the first half and five of the seven divisions fore-cast a "substantial" improve-

ment for the year as a whole.

The -only reservations were in relation to the Danish mar-

group headquarters office building in Copenhagen's Free

Europe boost for Procordia drugs side

By Sara Webb in Stockholm

PROCORDIA, the Swedish state-controlled holding com-pany, is merging its pharma-ceuticals activities in West Germany and Spain with those of Pfrimmer, the West German family-owned drugs group which specialises in intravenous nutrition solutions.

Procordia said the deal, worth SKr350m (\$54m), would worth Skrooth (3041), would strengthen the marketing, pro-duction, and research and development sides of its Kabi-Vitrum pharmacenticals divi-

Emphasising the need for a

NOTICE TO WARRANTHOLDERS OF

TOSHIBA ENGINEERING

A CONSTRUCTION CO., LTD.

US\$50,000,000

3% per cost. Gonnettred South Kur 1992 with Warnest

Pursuant to Clames 3 and 4 of the fastron dated 5th February, 1987, relating to the captioned Warman's notice is benefit prices

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LOB 12th September, 1988, the Board of
Direction of ICM IRO ENGINE PRINTS &
UNITED CITE CULTIFY, the
"Company" I resolved to make a free
distribution of Shares of the Common Steek
of the Company to be made on 21st
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referred at all Wale September, 1988, at the rail
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2. Such a liner distribution will result in an adjustment of the advantage price of the Warrants as follows:

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CONTRUCTION (O., LID.

predominantly Nordic group to build up its presence in the European market, Mr Jan Ekberg, Kabivitrum chief exec-urive, said: "It is very impor-tant for the control of t tant for us to be one of the leading European pharmaceuti-cal companies."

Combined sales in West Ger-

many and Spain will total SKr600m as a result of the deal, while KabiVitrum's sales are expected to reach SKr3bn

According to the agreement, Procordia has bought 51 per cent of Pfrimmer's West Ger-

NOTICE TO WARRANTHOLDERS OF SANWA SHUTTER

CORPORATION

U.S.570,000,000

per cent. Government Bands Due 1992 with Warrants (the "Warrants 1992") and U.S.\$130,000,000

47, per cent. Georgesteed Bo Due 1993 with Warrand (the "Warrants 1993")

Parsuant to Chance J and 4 of the instruments deted 18th August. 1982, rel o the captional Warmins 1992 and date fith August. 1988 relating to the caption Warmins 1993, notice is hereby given as collected.

follows:

1, On this September, 1998, the Bound of Direction of SANWA SHUTTER.

CORPORATION 18th "Company") reside to make a free distribution of Shapes of the Common Stock of the Company to be state at 2 to November. 1988, to shareholders record in of 76th September. 1988, in the of ULIT new share for each one shape so recorded.

Such a free distribution will result is aufastments of the advergeing prices of Worrasts 1992 and Warrasts 1993 as foll

(A) the Warrage 1992 Subscription prior

Warracts 1993 Subscription pri Yest 1.353

Saturation price after ad Yen 1,264,91

Procordia recently registered Fragmin, its new anti-thrombo-sis drug, in West Germany and now plans to use Phimmer's extensive sales force and contacts with hospitals to launch the drug in West Germany. This deal will make us the

sixth largest pharmaceuticals company supplying hospitals in West Germany and the leading hospital supplier of nutrition and cardiovascular products in Spain," Mr Ekberg said.

ket, where sales of the graphics and informatics divisions were hit by the recession. The group also announced the construction of a new

Port area.



Christiania Bank og Kreditkasse

Credit Suisse First Boston Limited

Agent Bank

(Incorporated in the Kingdom of Normay with limited liability) U.S.\$100,000,000

Floating Rate Notes Due 1989 Notice is hereby given that the Rate of interest has been fixed at 11.6875% and that the interest payable on the relevant Interest Payment Date March 16, 1989 against Coupon No. 5 in respect of US\$10,000 nominal of the Notes will be US\$587.62 and in respect

of US\$100,000 nominal of the Notes will be US\$5,876.22. September 16, 1988, London By: Citibank, N.A. (CSSI Dept.), Agent Bank CITIBANCO

To the Holders of

WARRANTS

To aubscribe for ahares of common atock of

KUMAGAI GUMI CO., LTD.

(the "Company")



(Incorporated in the Kingdom of Norway with limited liability)

Bull Floating Rate Notes Due 1991

September 16, 1988, London By: Citibonk, N.A. (CSSI Dept.), Agent Bank CITIBANK®

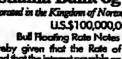


Notice is hereby given that the Rate of Interest has been fixed at 8.27971% and that the interest payable on the relevant Interest Payment Date March 16, 1989 against Coupon No. 6 in respect of U.S.\$10,000 nominal of the Notes will be U.S.\$416.29 and in respect of U.S.\$250,000 nominal of the notes will be U.S.\$10,407,14.



Christiania Bank og Kreditkasse

U.S.\$100,000,000





Communauté urbaine de Montréal (Canada)

in accordance with the terms and conditions of the Notes, notice is hereby given that for the six months from September 19th, 1988 to March 20th, 1989 the Notes will bear interest at the rate of 8%s% per annum. The interest psyable on the relevant Interest Payment Date, March 20th, 1989 against Coupon No. 10 will be US\$432.88 per US\$10,000 Nominal.



(i) The Takei Bank, Limited Lumbut Branch as Principal Paping Appen e pay subscription prices will become extine on 1st October 1988, Japan time. ANWA SHUTTER CORPORATION By The Total Bunk, Limited London Branch as Principal Paying Agent

contact Pamela Austin at:

Peat Marwick McLintock. Puddle Dock, Blackfriars, London EC4V 3PD

KPMG Peat Marwick McLintock

OLYMPIC SPORTS PRICES ON REUTERS

SCIENCE PARKS

The Financial Times proposes to publish this survey on:

28th September, 1988

For a full editorial synopsis and advertisement details, please contact: Anthony G. Hayes

> Financial Times George House George Road Edgbaston --

on 021-454-0922

or write to him at:

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26th September

For a full editorial synopsis and advertisement details, please contact:

SARAH PAKENHAM-WALSH on 01-248 8000 ext 4611

or write to her at:

Bracken House 10 Cannon Street London EC4P 4BY

FINANCIAL TIMES

of U.S. \$100,000,000 3½% Guaranteed Bonds Due 1993 with Warrants NOTICE OF FREE DISTRIBUTION OF SHARES AND ADJUSTMENT OF SUBSCRIPTION PRICE

Pursuant to Clause 4(A) of the Instrument dated August 8, 1986 under which the above described Warrants were issued, you are hereby ootified that a free distribution of Shares of the Company at the rate of 0.06 share for each one ahare held will be made to ahareholders of record as of September 30, 1988 [Japan Time]. As a result of such distribution, the Subscription Price at which shares are issuable upon exercise of the Warrants will be adjusted pursuant to Condition 7 of the Warrants from 773.60 Japanese Yeo to 729.80 Japanese Yen effective as of October 1, 1988.

THE INDUSTRIAL BANK OF JAPAN TRUST COMPANY
as Principal Paying Agent
on behalf of:

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Dated: September 16, 1988



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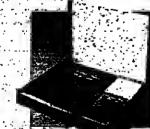
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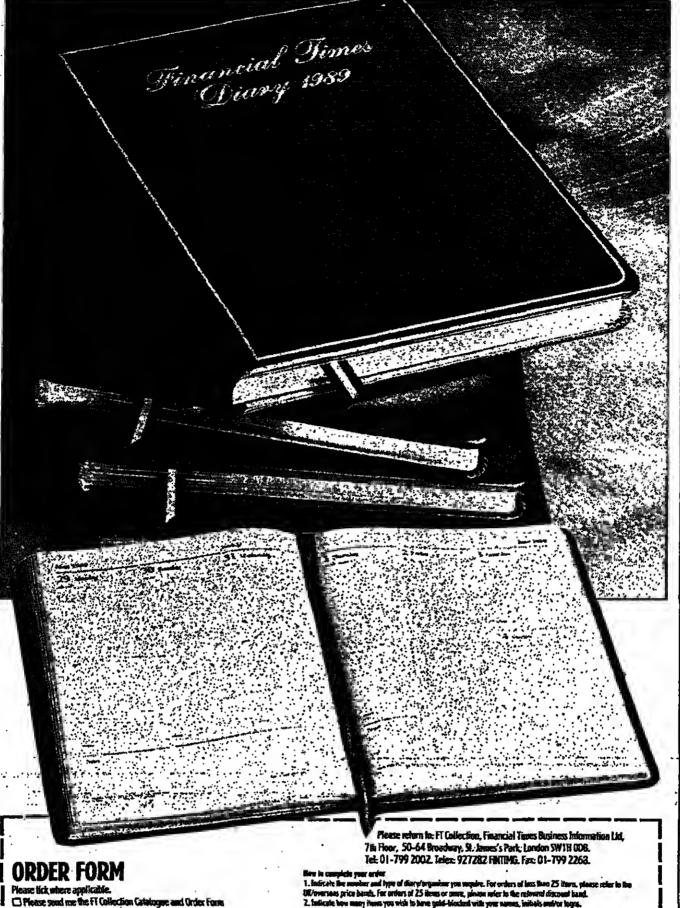
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DB	07018	0475	Desk Diary, burgandy bonded hadher	£36.6Z	£39.95	£27.14	£26.55	£25.37	E24.48	£22.12	
DP	07286	2320	FT Pink Desk Diary, black bonded leather, pink pages, page-a-day	£25.07	£29.90	£18.22 .	E17.82	£17.03	£16.44	£14,85	
OC	07020	0499	Desk Diary, black leathercloth	£70.47	£25.85	E14.44	E14.13	£13.50	£13.03	<u> </u>	· .
Ą	07031	0457	Pockel Diary, black leather	£11.44	£10.95	E8.74	E8.55	E8.17	£7.88	£7.12	
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WP.	07316	2335	Wallet, black leather, fits PP	£22.94	£20.95	£17.89	£17.50	£16.33	£16.14	£14.59	
WB	07304	2330	Wallet, burguedy leather, Rs PB	£21.21	£19.45	£16.51	£16.15	£15.44	€14.90	£13.46	
WL	07298	2325	Wallet, black leather, Sits Pt. and PC	£21.21	£19.45	£16.51	£16.15	£15.44	£14.90	£13.46	
FBL.	-	1	Fackminder, black leather personal organiser	N/A	N/A	£26.95	£2637	£25.20	24.32	121.98	
F86	-	_	Facterinder, burgandy leather personal organisar	WA	N'A	£26.95	£26.37	£25.20	£24.32	£21.98	
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India to boost overseas funding

K.K. Sharma on the sub-continent's rising foreign exchange needs

ndia expects to increase borrowings from interna-tional markets by as much as 25 per cent in the current year, possibly reaching a peak Rs25hn (\$1.75bn).

This forms part of the country's seventh five year plan which provides for borrowings of \$6bn over 1985-90 period. But foreign bankers believe this figure will be exceeded.

Bankers base their expecta-tions on India's foreign imports for modernisation of industry and to find funds for development projects. Although India plans to finance these projects mainly with internally raised resources, the Government has acknowledged that at least 10 per cent of the seventh plan's financing must come from for-eign institutions, countries and banks. This includes soft term aid as well as costlier loans from the capital markets.

India is going through a severe foreign exchange shortsevere foreign exchange short-age because of a large trade gap that is expected to stem from imports of foodgrain and cooking oil following last year's drought. The burden of other unavoidable imports like crude oil and petroleum goods is also growing because of the stagnation m internal produc-tion.

Finance Ministry officials have acknowledged that for eigh borrowings have become inevitable to deal with the growing current account deficit which is estimated at roughly \$5bn this year. Thus,

By Michael Marray in Hong Kong

HONG KONG'S Mass Transit Railway Corporation (MTRC) yesterday announced that its

short-term commercial paper (CP) programmes have been

assigned an A1+ rating by

Standard and Poor's, an improvement on the previous

MTRC, which operates the colony's underground railway

system and currently has debts totalling some HK\$17.5bn, has CP programmes in Hong Kong.

A1 rating given last year.

Europe and the US.

Indian international medium & long-term bank loans Reson \$

although commercial horrowings will be made to finance development projects, they will add to the foreign exchange reserves and ease the strain on

the balance of payments.

Neither officials nor private sector bankers see the rise in commercial borrowings as cause for alarm, however. As one banker pointed out: "Even the World Bank feels India is under-borrowing. The bank wants it to rely more on commercial loans so that it can use its own funds for other needy countries." At present, out of the total of \$6bn of soft aid that India is to get this year, nearly half will come from the World

rities, Chase Investment Bank. Chase Manhattan Asia, Goid-man Sachs International, Mer-

rill Lynch International, Schroders Asia and S.G. War-

Morgan Guaranty Trust

CANDOVER INVESTMENTS plc The Leaders in Management Buy-outs

CONTINUING ASSET

& PROFIT GROWTH For the half year ended June 30, 1988

 Net assets up 23 per cent to £31.3 m — equivalent to 432p per share ex-dividend -- and more than double the rise in the FT ALL SHARE

Interim dividend declared at 3.5p per share compared with 3.0p per

burg Securities.

commercial paper rating

Mr Wilfed Newton, chair-man, said S&P was expected to amnounce the assignment of a through its London office.

INDEX, over the period.

Pre-tax profits up 46 per cent to £690,000.

share for the same period last year.

wants to avoid falling into a debt trap which has befallen many other developing countries in Africa and Latin America. Nevertheless, commercial lea. Nevertheless, commercial borrowings are to stepped up cautiously because of the pressing needs for foreign exchange, especially as the Government has decided against going to the International Monetary Fund for the

officials believe that commercial borrowings can be increased provided India's debt service ratio is kept at a safe service ratio is kept at a same level. It is debatable what level can be deemed prudent, though. The debt ratio was kept well under 20 per cent of foreign exchange inflows until four years ago. It is now run-ning at around 25 per cent and officials consider even 20 per officials consider even 30 per cent to be safe.

Bankers agree with officials that India will not face any problem in raising loans at suitable terms abroad. It has a high credit rating, earned because of a grood repayment. because of a good repayment record and its relatively low debt service ratio.

ecent loans negotiated for Indian companies for indian companies and financial institutions in Japan and Europe have been obtained at around a percentage point above London interbank offered rates.

A \$100m loan, for example, was arranged by a group of seven Japanese banks for local clients of the World Bank'a Industrial Finance Corporation arm, and a SFr80m public bond

issue was launched in July by the Industrial Credit and Investment Corporation. The Industrial Development Bank of India plans to raise a total of Rs2.Sbn in foreign exchange

mong government-owned companies perowned companies permitted to raise loans abroad are the Oil and Natural Gas Commission, which last week entered the Samurai bond market with a Y20tm 10-year offering. Air India plans commercial borrowings to finance purchase of two Boeing 747s. India is also trying to enter the US commercial paper market.

The Government's usual sources of foreign exchange, apart from exports, are soft loans from the World Bank and members of the Air India connemers of the Air innia con-sortium, commercial loans from the capital markets and bank deposits from non-resi-dent Indians. The last now total more than \$50n, which is roughly the level of the coun-try's forsign exchange

Bank deposits, most of them in repatriable foreign exchange, are attracted by offering interest rates that are higher than those obtainable ahroad. Officials are now debating whether the rates should be raised further in preference to seeking commer-

cial leans.
For the time being at least, present official thinking is that commercial loans are better

Improvement in MTRC's Norwegian option trading laws meet further delay

By Our Financial Staff

rating for long-term MTRC issues next Tuesday, to coin-NORWAY'S Finance Ministry said yesterday that its law on cide with the signing in London of a HK\$3bn dual currency options trading, which initially had been expected to clear par-liament in the spring this year, medium term note programme arranged by J.P. Morgan.
The dealers for the programme are J.P. Morgan Secu-

was still not ready.
Norway has haited all unregulated share options and futures trading until rules for the market have been approved. Only one broker is exempted from this ban.

"Parliament first has to pass the law, and the Finance Ministry must produce rules for options trading Then, players in the market must apply for a licence for options trading." Mr

Jan Ove Ekeberg, a ministry official said. It was unlikely that the law would be ready this autumn, he said.

Oslo brokers, keen to start options trading, had hoped for an autumn go-ahead. Mr Ekeberg gave no reasons for the

continued delays.

Mr Ekeberg said the law on options was being given high parliamentary priority. The ministry presented a framework for options trading in March which, if approved, would allow more than one clearing house, but confine trading to the Oslo bourse.

Two houses to re-enter equity warrants

By Our Euromarkets Staff

sector

MERRILL LYNCH and Kleinwort Benson are prepar-ing to become market makers in equity warrants, the first firms to re-enter the volatile sector of the Eurobond market

sector of the Eurobond market since last summer.
Equity warrants are effectively long-term options to buy shares, and the market is overwhelmingly dominated by Japaness companies. When issued, the warrants are usually attached to fixed-rate bonds, from which they are subsequently separated and traded.

The number of market makers - firms which quote two-way prices to other firms - had dwindled to nine from about a dozen just over a year ago as speculators retreated from an investment that few had completely understood. Now, however, three or four

mare houses are said to be considering joining the market. Kleinwort, recently awarded a seat on the Tokyo stock exchange, and Merrill see the move as enhancing their Japanese presence. Kleinwort had been a mar-

ket maker but withdrew in June 1987. Two other firms, County NatWest and Shearson Lehman Brothers, withdrew early last autumn after just a few weeks, citing operational

Separately, in an effort to increase confidence and restore liquidity to a market whose investor base has shrunk, the existing market makers have tentatively agreed to a number of reforms of market practice. Final approval of the rules may be

made later today.

Most critical of these is a requirement that all houses make markets in any security whose original size is \$150m or more for a year following its launch or until over 50 per cent of the issue is placed with

Also, lead managers will be required to make markets in their own issues of any size for a year after launch, a rule followed by Eurobond market makers who are members of the Association of Interna-

tional Bond Dealers.

Equity warrant dealers are also considering applying as a separate group of market makers under AIBO rules, a move that would give them some anthority to discipline firms that do not follow approved market practices. The firms are also consider

ing rules on minimum dealing

Over the last year, stock price gyrations have left some firms with heavy losses and others with large profits from their trading activities.

Ironically, the firms' decision to re-enter the market

comes at the end of an equity warrant boom. Over 95 per cent of new warrant issues are for Japanese companies, and the market is saturated. Prices of some warrants had fallen to as low as 10 or 11

from an issue price around 20 points, before recovering in the past week. The four major Japanese firms which predominate in new issue underwrit-ing have called an unofficial halt to to new issues.

halt to to new issues.

Current gearing ratios cause warrants to lose 4.7 per cent in value for every 1 per cent drop in the price of the underlying

equity. Meanwhile, premiums - the percentage by which the underlying stock price must rise in order to make the warrant profitable to exercise are considered too high now to attract many buyers.

Baring Securities, one of the major market makers in equity warrants, estimates that premiums would have to fall below 10 per cent in order to attract new buyers, from current levels of around 17 per cent.

 Merrill Lynch has restarted market making in sterling floating rate notes.

Longer hours for Traded **Options Market** By Donald Maclean

THE London Traded Options Market is to extend its opening hours from November I, to bring its closing time into line with that on the London International Financial Futures Exchange. It is to close at 4.05pm each working dzy, instead of the present 3.40 pm, although the 9.05am opening time will remain the same.

The market, part of the Stock Exchange, said it will-consider further alterations to trading heart of the same.

consider further alterations to trading hours after monitoring trading patterns.

The move followed a survey of users, which revealed demands for the market to trade from Sam to 5.30pm. However, those surveyed could not say whether longer hours spread out current trading.

Weak oil price maintains demand for dollar issues

FALLING OIL prices and subdued retail sales data gave the markets enough of a psy-chological boost to prompt underwriters to launch several dollar-denominated Europonds yesterday.

yesterday.

But data showing that capacity utilisation at US factories and mines in August, at 83.7 per cent, was sufficient to undo any gains that might have accused to bond prices. By the accrued to bond prices. By the end of the day, the capacity utilisation data, showing more strains on production levels than at any time since March 1980, had pushed dollar bond prices down by about % point. Still, foreign investor's appetite for dollar paper remains strong. With spreads narrowing close to levels seen in US corporate delit markets. sevcorporate deht markets, several who have not borrowed in

Seagram, tha Canadian drinks distributor, issued a \$150m five-year Eurobond, its first since April 1986. The issue carries a coupon of 9% per cent and was priced at 101% to yield 64 basis points over Treasuries at launch — a spread described as aggressive even by those

Europe in years stepped up to

comanaging the deal.

Although the name of the borrower is well known to European bouseholds, the securities carry a credit rating of A-2/A, sometimes a difficult sell to increasingly credit-con-scious accounts. The deal was seen as far outside its 1% per cent fees as less 1.95 per cent, although good support from the lead manager pulled it

Salomon Brothers lead man-aged its first straight dollar deal in over threa months,

bringing a \$100m five-year issue for Northern Telecom, the Canadian telephone com-pany that is \$2 per cent-owned by Bell Canada. The borrower has not raised funds in Europe since Manambar 1998

since November 1985. The bonds, which carry a AA 3/A+ credit rating, carry a coupon of 9% per cent and were priced at 101% to yield 53 were prices at 11172 to yant to basis points over Treasuries at launch. Although the bonds were seen just at their 1% per cent fees, the pricing was con-

INTERNATIONAL BONDS -

sidered agressive given the credit rating and name of the

Stateil, the Norwegian stateowned oil company, issued a seven-year \$200m Eurobond via Credit Suisse First Boston. The issue has a 9% per cent coupon and was priced at 101% to yield and was priced at 101% to yield 72 basis points over Treasuries. Despite the lack of a credit rating and falling prices for North Sea oil, the securities saw strong enough demand to help them close inside the 1% per cent fees at less 1.75 per cent. Meanwhile, yesterday's two dollar Eurobonds for Finnish Export Credit and General Motors Acceptance Corporation sank well outside their 1% fees to close at less 2.05 per

fees to close at less 2.05 per cent. While some of the decline reflects the drop in underlying Treasuries, dealers said the securities had been given rather stingy coupons, making them a difficult sell. No price was seen for yester-day's \$100m offering of zero-coupon bonds for Eksportii-

nans, which had been priced to yield only 2.186 per cent to investors, a spread of 29 basis points over Treasuries at launch. While the spread is 10 to 20 basis points below that which can be earned on the borrower's interest-bearing bonds, the tax advantages to

borrower's interest-bearing bonds, the tax advantages to Japanese and Belgian accounts of owning; zero-coupon bonds were deemed a sufficient rempensation. The bonds were also simed at those who wish to bet on a stronger dollar.

Caisse Nationale des Telecommunications issued a Ecu100m five-year issue via Crédit Commercial de France intended to be fungible with a Ecu150m deal launched in May via Credit Lyonnais. The earlier issue had been signed by by managers of the deal and Credit Lyonnais is a co-manager of the new tranche. The issue carries a coupon of 7% and is priced at par.

In West Germany, domestic

and is priced at par.
In West Germany, domestic
bonds lost up to 'a point in
light trade reflecting growing anxiety about the direction of the dollar. The Federal bond consortium will fix terms next Tuesday for a new issue for the Federal Post Office. Eurobond prices : closed

mostly unchanged to a touch
easier in moderate turnover.
Trinkhaus & Burkhardt
Finance issued a DM75m fiveyear Eurobond bearing & 6 per
cent coupon and priced at
101%. Trinkhaus & Burkhardt
was sole lead and does not
expect the issue to trade

expect the issue to trade widely.
Credito Italiano'o London branch issued a Y10bn 10-year issue. The 7.8 per cent coupon is payable in Australian dol-

Shearson to form unit in Singapore

SHEARSON LEHMAN Hutton. the US securities house, is setting up a unit to deal in international bonds in Singapore. The unit is aimed chiefly at regional institutional clients,

South-east Asia. Australia and New Zealand, which up to now been handled from Shearson's office in Tokyo, will now be the responsibility of Singapore

Bond dealing activities for Mr Craig Anderson, the company's Tokyo-hased manager for Asian institutional marketing, said that the move io designed to hring a better ser-

FT INTERNATIONAL BOND SERVICE

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 Three significant listings in London and Amsterdam of Candover sponsored buy-outs. New investments in UK and European buy-outs. **Recent Management Buy-outs completed United Kingdom** LOWNDES LAMBERT (£18 m) HAYS (£255 m) HUMBERCLYDE (£205 m) MOTOR WORLD (£11 m) DON REYNOLDS (£3 m) DWEK (£35 m) West Germany HEIDEMANN-WERKE (DM 55 m) USA CENTURY WRECKER (\$15 m) CANDOVER INVESTMENTS PIC Cedric House, 8-9 East Harding Street, London EC4A 3AS.

INTERNATIONAL COMPANIES AND FINANCE

Vodafone sale prospectus lifts Racal shares by 9p

By Terry Dodsworth, Industrial Editor, in London

SHARES in Racal, the UK 1 Racal is proposing to sell electronics group, rose just 20 per cent of its Vodafone strongly yesterday following subsidiary, one of the two publication of a draft prospec-tus for the sale of its mobile telecommunications subsidiary which values the division at

MBFR 16 198

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which rose by 9p to 310p in beavy trading, was widely seen the market.

The main points of the shares, mobile telephone operating mobile telephone operating the market.

The main points of the Racal offer include:

The main points of the Racal offer include:

Approximately 200m ordinary shares will be offered, it with 150m set aside for shareholds.

ing price of 282p.
Sir Ernest Harrison, the group's chairman, described the proposed sale as the most exciting event in the history of Racal. He brushed ande reports that recent weeknesses in the stock market might threaters the offer.

licenced operators of cellular car telephone networks in the UK. This has excited widespread interest in Europe and the US because it is the first

50m for investors in the US, and 50m for investors in the US and Europe. There will also be a UK public offer of approximately 14m shares, to be provided by shares not taken up in the main UK shareholder or international offers.

the stock market might international oners.

The issue he said, had been the range of 155p to 185p per posed 20 per cent in priced "very conservatively," share. This puts the company was received the company was received a prospective price-earnings ing substantial support from the institutions.

The offer price will be in issuing more than posed 20 per cent in said that that these could be sorted out that the said that that these could be sorted out the institutions.

The offer price will be in issuing more than posed 20 per cent in said that that these could be sorted out that the said, that the said that that these could be sorted out the institutions.

share of 5.57p for the year ending March 1989. Some analysts forecast pre-tax profits of about 2200m in the following year, which would put the shares on a multiple of about 20. Pre-tax profit is forecast at

£77m in the current year to March. · Vodafone will be re-capital ised and floated on the Stock

Market debt-free.
Sir Ernest also dismissed suggestions that Racal would be forced to reshape the offer if it went ahead at the lowest proposed price. At this level, it would raise only £310m, less than the £350m which the Stock Exchange has said it would like to see the issue gen-

However, Sir Ernest, who insisted that Racal would not like to dilute its own stake by issuing more than the pro-posed 20 per cent in Vodafone, said that that these problems could be sorted out if neces-

BTR sees profits surge 31% to \$368m and issues warrants

By Clay Harris in London

BTR, the UK-based industrial conglomerate, increased pretax profits by 31 per cent to 2368m (\$627m) and its earnings per share and interim dividend by 26 per cent in the six months to June 30. The strong results and a free issue of warrants lifted BTR's price 10p to 283p yesterday. BTR's results showed under-

sales and 20 per cent in trading profits, excluding the effect of acquisitions, but the warrants nearly stole the show yesterday, in part because of their novelty.

The warrants, the issue of which is unusual for a UK company the size of BTR, allow holders to subscribe for shares at 285p at certain periods in 1992 and 1993. BTR shareholders will receive one warrant for every 33 shares held.

Sir Owen Green, chairman, said BTR was likely to continue to issue warrants in this way until it reached the limit of 10 per cent of issued capital

imposed by the Companies Act. The warrants would act as a "rolling rights issue," raising capital over several years with-out depressing the share price or diluting the interest of exist-ing shareholders.

The warrants were also intended to encourage share-

holder loyalty, Sir Owen said, and would create a new nonequity instrument with a lon-ger life than existing traded

BTR's return on sales at the trading level rose from 14.5 per cent to 15.5 per cent.

ACI International, the Australian industrial group

acquired by BTR Nylex subsidiary in March, contributed £38m to trading profits, lifting the total from the East to £127m (£62m).

The strength of the Austra-lian dollar largely offset the weakness of the US currency so the net impact of exchange-rate movements was small,

Welsh brewer in share dealings

BUCKLEY'S BREWERY the Suckley's Brewery previously commonly by Mr Peter Clowes — head of the failed Barlow Clowes empire — and his business colleague, Mr Guy Cramer, moved into share-dealing shortly after the duo took

The new subsidiary, Buck-ley's Securities, contributed to a move by the brewery into losses in the nine-month period to end December, according to the annual accounts. It was set up after the pair won a-£29.2m (\$38.9m) cash bid for Buckley's

in early October 1987.

The accounts — published yesterday and containing delayed results for 1987 show that the company overall Among "other debtors" is a made a pre-tax loss of 2763,000 in the nine months, compared with a £1.13m profit in the previous 12 months. The share dealing subsidiary contributed a pre-tax loss of £163,000 after a £188,000 provision in relation to the value of the securities at the end of December. Since then, however, the provision wake of the Clowes/Cramer has been reduced and the net arrival. Another £479,000 loss is likely to be about half write-off occurs on a hotel complex purchased in 1986, and a this figure.

Buckley's Securities is believed to have bought vari-ous equities — largely alpha stocks — after the October crash, with a maximum portfolio value of around £1.4m. The subsidiary is thought to have been financed by inter-com-

pany loans:
Mr Michael Willcocks, Buck-ley's chairman and managing director, declined to say whether the move had full board approval. Mr Cramer, who like Mr Clowes and two other colleagues resigned from the Buckley's board earlier this summer, was unavailable for

Notes to the accounts disclose other unusual features.

This has since been repaid. The pre-tax figure is also struck after a film exceptional item. Of this £269,000 related to compensation payments to for-mer directors who left in the further £100,000 on a property in Bradford bought last November. Costs on a wine bar project cost another £106,000. Operating profit from the core beer and public house business, however, wsre £471.000 (£1.17m in the 12

months), on sales of £8.33m (£9.79m). On the balance sheet side, borrowings at the year-end rose to £7.3m, although a series of small acquisitions since then have led to further cash ontlays of around £3m. Listed investments were val-ued at £1.1m. Net assets are

A final complication is that the appointment of Sir Alun Talfan Davies as chairman. after the ownership change, was found technically invalid. other board appointments have now been made, Sir Alun continues as an adviser and Mr Willcocks is the chairman.

The 53 per cent stake bought by Mr Clowes and Mr Cramer has already come under the control of merchant bank Singer & Friedlander, which plans to auction the interest. Shares in Buckley's will return from suspension today.

Thomson deal referred

By David Churchill in London

THOMSON Travel's £75m (\$127m) acquisition of rival British holiday group Horizon Holidays from the UK brewer Bass last month is to be referred to the Monopolies and

This followed a recommendation from the Office of Fair Trading that the merger posed competition issues which needed to be investigated by the commission.

The commission has been asked to determine whether

the merger is in the public interest within three months. If it decides that the deal is against the public interest, Thomson could be forced to sell Horizon to another bidder, since it bought the company unconditionally from Bass. The referral has cast a

shadow over Horizon's attempt to capture a share of the early booking market for next summer's package holidays since the travel trade is now uncertain about Horizon's future.

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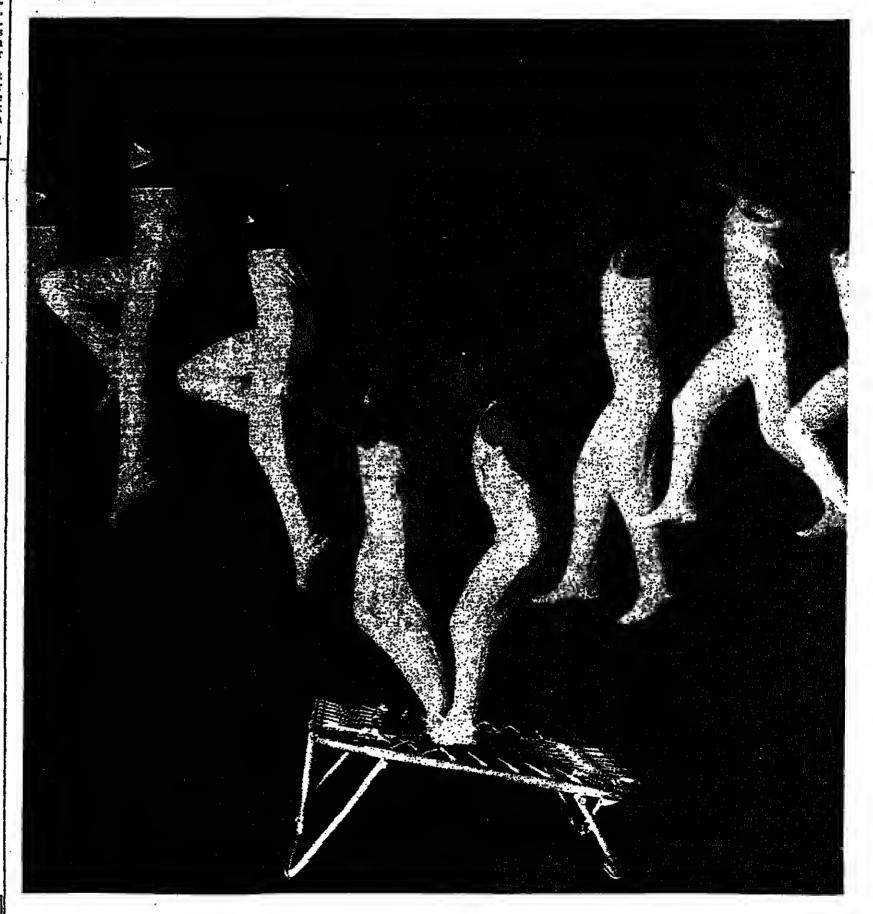
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Country Resear Code	Expiry date
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Bids invited as Lowndes Queensway moves to sell Hamleys

LOWNDES QUEENSWAY, retailing group, is putting Hamleys of Regent Street, the well-known toy shop, up for sale, writes Philip Coggan..

The move is part of the disposal of peripheral business.

Consortium, which took over the consortium of the consortium.

planned by Mr James Gulliver's consortium, which took over the former Harris Queensway group earlier this year.

Harris Queensway bought Hamleys for £30m from the Burton group in 1986. But Sir Phil Harris's attempts to expand Hamleys into a chain of shops did not meet with success. Nevertheless, the store remains a tourist attraction and has a Royal Warrant as toy and sports members to the Open.

and sports merchant to the Queen.

Noble Grossart is acting as exclusive agent for the sale and initial bids are invited by October 3. The successful purchaser is expected to be announced by the end of October.

Inter-Continental

The deadline has now closed for bids for Grand Metropolitan's Inter-Continental hotel chain, writes Lisa Wood. Several tenders are expected

to be put in for the chain, which bears a price tag of around £1.5bn. More than 20 parties are understood to be interested. GrandMet said it would take some days to sift through the tenders.

Disposal of the hotel chain should eliminate GrandMet's borrowings and the City is now speculating thet the group may make a major acquisition.

Mecca egm bid vote

Proposals for the £640m bid for Pleasurama were overwbelmingly approved at an extraordinary general meeting of share-holders in Mecca Leisure. Some 99.9 per cent of votes cast were in favour of the motion authorising Mecca to increase its share capital for the bid.

Mrs Fields in talks

Tha fortunes of Mrs Fields appeared poised to take another turn yesterday, when the US cookie manufacturer and retailer announced it was in talks which might lead to a minority interest being taken in the group by a non-US com-pany or companies, writes Andrew Hill.

Mrs Fields, which is quoted on the USM and has no US share listing, said it was also discussing a possible commer-

ciscussing a possible commercial agreement with the same companies concerning its operations outside the US.

Mr Randy Fields, co-founder with his wife, Debbi, said that in order to concentrate on its combination store concept in the US the group was concept in the US the group was consider-ing giving a third party opera-tional control of some of overseas stores. Mrs Fields already runs a joint venture manage-ment system for its Hong Kong

DIVIDENDS ANNOUNCED

		5-1	Corres -	Total	Total
	Current	Date of payment	ponding dividend	for year	last year
Assoc Brit Portsint		paymont			
		Non dd	2.5	0.75	7.5
Bellwinchin		Nov 11	1	3.75	1 8
British Mohairint		Jan 6 Oct 28	3.5	-	
BTRint		Nov 21	1.4	-	7.5 9.7
Corporate Exts §int		MOA 51	0.3	-	0.75
Descutter Brosint		Oct 26	2.7	•	9.1
Epwin Group §int		Oct 28	1.6	-	4.8
Finlay Packagingint		Nov 2	0.75	-	4.0
Gerton Eng	1.5	Dec 1	1.25	•	5
				•	
Guinnessint	3.5	Oct 31	3	-	9.2
Hewitt (J)int	1 olt	Nov 2	1	_	5
Huntleigh Tech §int incheapeint	2.75	Jan 3	0.5 2.125	-	0.5 6.75
Inchespeint	1	Jan 3	1	•	3
Intereurope Techfin	4.41	04.74	4.4	6.4	6.4
Kielnwort Devfin	3.75	Oct 31	3	5.75	5
London United		Oct 17	3		ě
Magnolla Groupint	3 1.55			-	
Manders (Hidgs)int	1.81	Oct 10 Nov 8	1.4 1.6	•	4.45 5.5°
				-	
McLaughlin §int	3	Nov 4	2.5	•	8
Merchants Trustint	3	Oct 28	2.52	-	5.4
Neill (James)int	3.1	-	3	•	8
Perry Groupint	2,75	0	2		7.3
Peters (M) Grp Sfin	2.2	Dec 7	1.8	3.7	3
Ratrersint	1.65	Nov 9	1.25	•	5
Rolls-Roycoint	2.1	•	1.76	•	5.25
Royal Duich Petint	6‡	-	4.5	-	12.8
RTZint	4.25		3.2	•	11.5
Sale Tilney	4.5	Oct 31	4	-	10
SchrodersInt	6	Oct 27	6	-	16.5
SD-Sciconint	0.275	Nov 16,	0.25	•	0.65
Shell Transportint	21.5	-	16.5		48
Triofus	2	-	0.5	-	3
Tyndail Holdingsint	2.5	-	2	-	3 5 1.7
Westpool Inv Talfin	1.45	Nov 12	1.35	1.8	1.7

Dividends shown pence per share net except where otherwise stated "Equivalent after allowing for scrip issue, 10m capital increased by market. *Carries scrip option. Dutch currency throughout.

BOARD MEETINGS

The following compenies have notified dates of board meetings to the Stock Exchange.	FUTURE DATES	
Such meetings are usually held for the pur- pose of considering dividends. Official indica-	Addison Consultancy	Sept 21
tions are not available as to whether the	Ashley (Leura)	Sept 28
dividends are interims or finals and the sub-	Boric	Sept. 22
divisions shown below are based mainly on	Christian Ind	Sept.Z7
kust yeer's timetables.	Connelle Estate Agents	Sept.22
	Diride Hoel	Sept.21
	Hornby Humbrig Assess Inde —	Sept.22
	Hunting Pet Serve	Oct.10
	MIL Research	Sept 27
TODAY	Plexion	Oct.11
Intorime- Accord Publications, Bedford (Wm),	Querto	Sept 20
Brendon, Camelita Inve, Colorgraphic, Ipeco.	Thurger Berdex	Oct. 3
LGW. Local London, PCT, Remetck, Flural	Pinele	J
Planning Serva, Sintrom, Yelverton inva.	Courtney, Pope	Sept.30
Finale- Brent Walker, GC Flooring & Furni-	Lloyd Thompson	Sept.20

Spirits remain main earner in slightly better-than-expected figures

Guinness moves up 21% to £183m | ahead to £63m and

GUINNESS, the stout and spirits group, yesterday reported pre-tax profits of £183m for the six months to June 30, an increase of 21 per cent on the previous £151m. cent on the previous £151m.

The results, coupled with optimism over the long-term trends in Guinness' activities, which include a declared 27 per cent joint stake in Moët-Hennessy Louis Vuitton (LVMH), the French cognac, champagne

around £490m. Earnings per share, at 13.5p, showed an increase of 21 per cent and the interim dividend

and luxury products group,

provoked some analysts to nudge their forecasts up to

is lifted 17 per cent to 3.5p.

Mr Anthony Tennant, chief executive, said: "In the first half of 1988 we made considerable progress in furthering our declared strategy to build on our core business of spirits and

helped RTZ Corporation, natural resources and industrial group, boost net profit by 77 per cent to £199m in the first half of 1988.

Earnings per share also increased by 77 per cent to 25.6p and the interim dividend

The performance was better

The performance was better than many analysts had receotly forecast, but the share price, after briefly advancing, closed 2p down at 429p. Mr Derek Birkin, chief exec-utive, shrugged off the City's recetting by congressing that it

reaction by suggesting that it was merely a reflection of dull

market conditions caused by

an apparant lack of investor interest in any stocks.

RTZ was "in excellent shape for whatever the future holds,

We are quite clear about our strategy and we have immense financial strength," he said. About half the business could

By Flona Thompson

PERRY GROUP, motor dealer,

increased pre-tax profits by 47 per cent to £3.75m for the six

months to June 30 1988. Sales were up 56 per cent at £154.28m. Earnings per share rose from 8.7p to 12.8p. During the half year, Perry spent £4m acquiring five more

dealerships - one Peugeot, one Toyota and three Rover to add to its existing two - tak-ing its total to 24. The others

comprise seven Ford dealer-ships, three Volvo, four Iveco Ford Truck, and one each of Jaguar, Vauxhall, and Land Rover/Range Rover. Perry con-

centrates on four main areas – Yorkshire and Lancashire, the Midlands, London, and the

With a 3.5 per cent share of all Ford registrations, the Ford dealerships, as in the past, con-tributed the bulk of profits.

south coast

by 33 per cent to 4.25p.

By Kenneth Gooding, Mining Correspondent

Sales of spirits, which include the Johnnis Walker whisky and Gordon's gin brands, made up 58 per cent of the £1.22bn turnover. Brewing accounted for 36 per cent. Last time's turnover of £1.3bn included contributions from several businesses - such as Martins The Nawsagent -

which have since been sold.

However spirits made up 82
per cent of the £207m trading
profits. Margins were assisted.
by price increases of up to 8
per cent imposed by the company in January coupled with its strategy of promoting pre-mium-priced products.

US profits growth at £31m (£16m) partly reflected the pur-chase of Schemley, a distributor

of the group's brands. Guinness said it was beginning to see the benefits of the joint venture to the US set up

SOARING METAL prices only significantly higher metal half-year.

Soaring Metal prices only significantly higher metal half-year.

Asked about RIZ's growing asked about RIZ's

prices but also continuing industrial growth. In the first half of this year

the group's natural resource

business contributed £155m after exploration but hefore

other corporate charges, up 74 per cent on the £89m for the

Related industrial operations contributed £61m before corpo-

rate charges, up 45 per cent on the £42m previously.

The proceeds from the disposal of RTZ Cement, RTZ Oil

and Gas, Home Insulation and Thos W Ward (Roadstone) amounted to £651m, which

after the purchase of MK Electric for £255m is takeo into account, resulted in an extraor-

dinary gain of £245m.
This will significantly reduce interest charges in the second

half. At June 30 the group's

debt-equity ratio was reduced to 10:90, compared with 24:76 at

Perry is keen to diversify prof-

rerry is seen to diversity profits by widening its range of dealerships and Mr Richard Allan, chairman, said the Volvo, Jaguar and the York Rover outlets had produced particularly strong performances.

Perry has now disposed of all

of its loss-making estate agency offices, for a sum in excess of £2m. A "useful" profit

on the sale will be shown as an

extraordinary item at the year end, said Mr Allan.

In the period, Perry sold 11,730 new cars – a 36 per cent increase on last year. Used car

sales doubled from 2,573 to 5,301, and hire purchase transactions rose by 73 per cent to

Interest charges were sharply up at £870,000 (£265,000). This included finance charges of £30,000 in

Perry accelerates 47% to £3.75m

now be considered non-cycli-cal.

He added that the earnings improvement reflected not businesses sold during the

same period of 1987.

High metal prices lift RTZ

Guinness Share price relative to the FT- A All-share Index

120 1984 85 88 87 88

last August with LVMH – the first of several set up between Guinness and the French group. In August Guinness and Financière Agache, the French retalling and fashion group, announced they had a 27 per

peaks, RTZ expects second-half averages for most metals to remain firm, albeit at levels below those of the first six

Mr Birkin said various fac-

Mr Birkin said various fac-tors had produced a steep change in the metals markets and the group felt prices would settle considerably above those of the early 1980s.

He deflected possible ques-tions about RTZ's 25 per cent shareholding in London and Scottish Marine Oil and that company's proposal in sell its

company's proposal to sell its holding in Enterprise Oil by saying any comment would be

respect of assets under leases

Tax took £1.38m (£960,000), An

interim dividend of 2.75p (2p)

All the motor distributors have had a good interim season with pretty buoyant trading condi-tions, and Perry's results were

to line with expectations. Now

that it has got rid of the estate

that it has got rid of the estate agents and gone back to concentrating on the business it knows best, prospects should be even brighter. Mr Allan is aiming to expand his 24 UK dealerships to 40 and is looking seriously at the US, where margins are slightly better, and the move would serve to diversify away from the fluctu-

diversify away from the fluctu-ations of the UK market. On a full year forecast of £8m the

shares, 2p off at 290p last night, are on a cheap multiple of 8.

O COMMENT

cent joint stake in LVMH.
Guinness said trading in France, Germany, south-east Asia and Japan had been influ-enced by new distribution arrangements — which pro-voked restructuring and reorganisations - and it expected to see the benefits of these

to see the benefits of these changes in the future.

Volumes for Guinness Brewing Worldwide showed increases of about 5 per cent with sales of Kaliber, the group's non-alcoholic lager, performing well. Sales of stout in the UK grew by about 4 per cent. Guinness said it was cuntinuing its programme of innovation with two new products launched this year — canned launched this year - canned draught Guinness and Guinness Gold, a new premium priced lager introduced in the US. More recently it has launched Smithwicks AFB, a new non-alcoholic hitter.

Australian

By Eric Short

cash pile, Mr Birkin said the group was interested in acquigroup was interested in acqui-sitions "only where we under-stand the business and can genuinely add value and jus-tify the purchase to terms of improved earnings per share." Although the prices of alu-minium – the star performer in the first half – copper and zinc had retreated from their peaks. RTZ expects second-half

Australian life operation.

Battery is a member of the Pratt Group, a packaging company diversifying into financial

disposal by **Royal Life**

ROYAL LIFE Holdings, the life and financial services arm of Royal Insurance, is selling its Australian life operation to Battery Group for A\$35m.

Mr Alan Horsford, Royal's abled according to the control of the contr

Mr Alan Horstore, Royal's chief executive, stated that while the group was committed to expanding its life and fluancial services business internationally, it was becoming increasingly difficult to compete effectively in the Australian market.

Royal Life had just A\$30m premium income last year — a market share of 0.05 per cent. The top five life groups in Australia have between them around 60 per cent of the market, while the banks are expanding toto this sector.

Last month, Scottish Amicable amnounced the sale of its

services. The acquisition will-complement its recently acquired Occidental Life of Australia.

Royal sees better prospects for the expansion of its life business in the US, Canada and Europe. Last October it started life operations from scratch in Holland, It will still maintain its general insurance business in Australia.

Rolls-Royce edges order book is strong

ROLLS-ROYCE, RULLS-ROYCE, the sero-engine company, yester-day reported an interim pre-tax profit of 263m, up £3m on the first half of 1967, even though operating profits declined by £4m to £148m in the 24 weeks to June 18. Turnover alipped £6m to £263m.

Earnings per share fell to 6.5p (7.9p), but the interim divi-dend is raised to 2.1p (1.75p). Exchange rate changes hit the company worse in the first half than in the 1987 period, but it did not quantify the effect. Engine parts bought to the US helped to limit the exposure on the civil side. Civil engines accounted for £406m of turnover in the period and exceeded military engine sales

At the end of the period, order books stood at 53.4bn against the end-1987 total of 52.8bn. Other military orders have come in subsequently.

have come in subsequently.

Spending on research and development was reduced to £77m (£84m). Sir Francis Tombs, chairman, said the group wanted to limit R&D spending to 8 per cent of turnover.

Sir Ralph Robins, managing director, said the cost of developing new aero-engines was

director, said the cost of developing new aero-engines was falling for the first time. The company had been able to reduce its R&D team by about 5 per cent, while at the same time carrying out more R&D using computers.

There was an exceptional item of Sidm for recognization.

item of £14m for reorganisation and severance costs, involving the loss of 2,000 jobs in this year and 1989. This will leave the company with a workforce of 35,000 in the UK and a worldwide total of 40,000. About 1,800 jobs have been lost

Rolls-Royce FT-A All-Share Index

net payments of E8m in the 1987 period. The tax charge was unchanged at E8m.

@ COMMENT

Sep 87

Rolls-Royce appears to have come through the period of uncertainty created by one civil aero-engine, the International Aero Engines' V2500 civil turbofan, but it now wants to embark on another, much larger engine, its own RB211-524L, which is expected to cost a total of £300m to develop. Problems with the relatively ordinary V2500 engine, built in partnership with four other nations' engine compaother nations' engine companies, caused embarrassment last year when Rolls-Royce was privatised. The RB211-524 engine is currently being tested to the Airbus A320 and its future seems more assured. Rolls-Royce is to apply to the Department of Trade and Industry for launch aid of Industry for launch and of about £100m towards the cost of developing the engine for production. It wants two or three partners to share the engine project. Looking ahead to a full-year pre-tax total of £175m, the shares — down 3%p to 120%p — stend on a presence. Rolls-Royce received net to 129%p - stand on a prospec-interest of 26m, compared with tive p/e of 6.8.

Charterhall plans rights issue to raise £9m

By Ray Bashford.

CHARTERHALL, the investment company headed by Australian Mr Russell Goward, is making a one-forfive rights issue to raise 29m. Westnex Group, which has a 48.8 per cent holding in Char-terhall, is taking up its full entitlement, subscribing 14.5m at the issue price of 15p. Charterhall's shares closed at

would be used to lower borrowings and fund acquisitions.
After the issue gearing would
be reduced to 55 per cent.

Chartethall has a range of possible takeover targets. It holds between 8.7 per cent and 24 per cent in five listed com-panies. A. Goldberg, a Glas-gow-based retailer in which Charterhall holds 23.7 per cent, has been the subject of recent life speculation.

Morgan Crucible in US expansion

By Ray Bashford

MORGAN CRUCIBLE, the todustrial materials and electronics group, has moved fur-ther into the US through the acquisition of General Optronics for \$7.2m (£4.3m).

The New Jersey-based com-pany has been merged with Laser Diode, Morgan Crucible's main US electro-optics subsid-iary. The enlarged company will continue to operate as Laser Diode and be will be one

of the world's largest indepen-dent producers of semiconduc-tor lasers.

The acquisition furthers the

20.75p, down 1.25p Directors said the lunds

company's plan to expand the eletro-optics business and tech-

nology of Morgan Crucible's said that he sai

and distributor of high temper-ature insulating bricks, from US for £37m. Dr Bruce Farmer, the managing director, then said that he viewed the US as 8 low-cost manufacturing base with the potential for further

Granada selling part of ER By Philip Coggan

GRANADA GROUP is selling one of the businesses it acquired in last year's £250m takeover of Electronic Rentals. National Telecommunications, the telephone systems group which joined the main market in July, is buying TVC General Telephone for £2.3m.

TVC distributes PAEKs and other systems to the UK small business sector. It also has: maintenance and rental operations. Last year its oper-ating profit was £501,000 on

National Telecommunications is also buying SSS, a US-based telecommunications equipment supplier, for £3.3m in ghares, SSS made a trading loss of \$763,000 last year but accounts show that it is now

Australian offshoot leads Tyndall rise

TYNDALL HOLDINGS, international financial services group, made pre-tax profits of 27.02m in the six months to June 80, including the first half-year contribution from Clayton Roberd, the Australian financial services group of which Tyndall owns 62 per

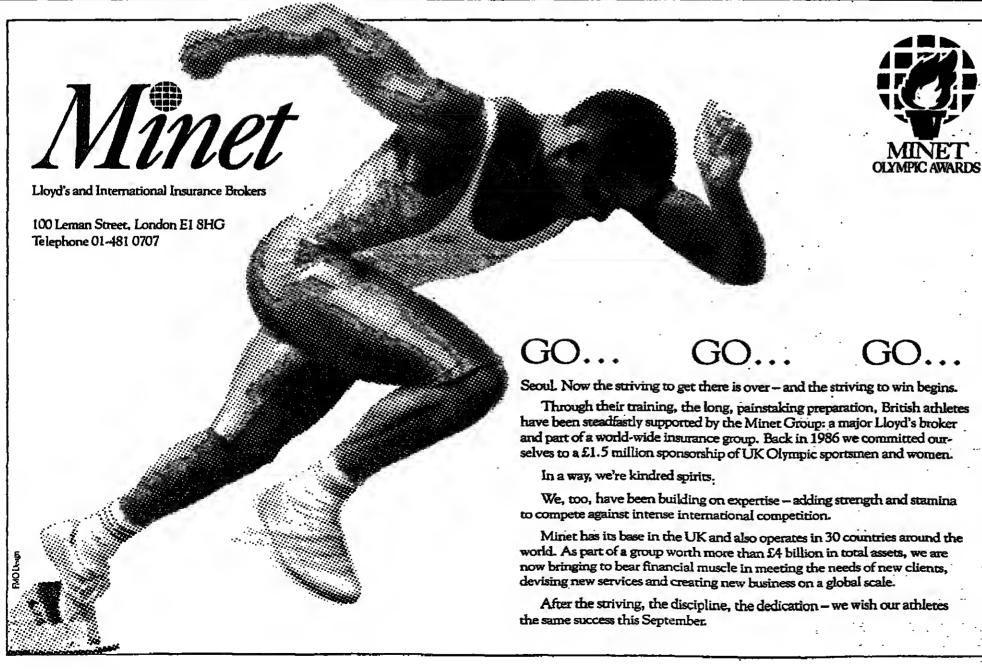
Profits growth was led by Associated National Life (ANL), Clayton's life assurance arm, which made interim profits of £5m. having suffered hadly to last year's stock market crash.

In the equivalent period the group as a whole made £1.92m before tax, but the figures are not strictly comparable as September's acquisition of Clayton more than doubled the UK group's market capitalisation. In the first half of 1988, about £2.46m was paid out to minority interests in the Australian group.

group.
Tyndail also announced the purchase of Newport International, the US investment management company which it already has 20 per cent of, for a total of about £1.83m. Tyndail is also acquiring 25 per cent of Horgan Tattersail, a Canadian and management group.

Turnover in the first half was £19.5m (£14.8m) and earnings per share were 7.1p (7.3p). An interim dividend of 2.5p (2p) has been declared.

Although ANL seems to have emerged from the market storms of last October rela-tively unscathed, there are still doubts among observers about the performance of Clayton's Australian fund management Australian fund management arm. ANL's results may also have been flattered by the fact that Clayton's financial year ends in June – for complex actuarial reasons the results of life assurance companies are life assurance companies are apparently stronger in the second half. Clayton's year-and will be brought into line with Tyndall by December. More positively, Tyndall has good asset backing and net cash in hand of £36.2m, so recovery is not out of the question, but the uncertain state of the world uncertain state of the world markets would suggest this is a long-term rather than a short-term prospect. The shares rose 2p to 122p yesterday, and forecast pre-tax prof-its of about £14 or £15m put them on a prospective p/e of about 8, which is fair.



UK COMPANY NEWS

B&C reports operating profits up 17% to £83m

BRITISH & Commonwealth Holdings, financial services Holdings, financial services group, increased post-interest operating profits by 16.6 per cent. to 282.9m in the six months to June 30. However, amortisation of goodwill, reflecting B&C's change of accounting policy in 1987, pulled the pre-tax total down by 26 per cent to £63m.

Mr. John Gunn chairman

Mr John Gunn, chairman, described the performance as-satisfactory considering that the period had not been easy for financial services generally. There had been a "pleasing improvement in the quality of the group's earnings".

The interim dividend is raised 14 per cent to 4p despite a decline in certains per chairs.

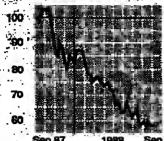
raised 14 per cent to 4p despite a decline in earnings per share. Before amortisation, earnings fell 5.3 per cent to 12.4p or 4.1 per cent to 11.6p fully diluted. Taking into account amortisation, in which goodwill arising on acquisitions is carried in the balance sheet as an intence ble asset and written an intangible asset and written off against profits over 25

years, earnings fell to 6.3p or 7.2p fully diluted.
The profit contribution from Exco's money-broking operations rose to £21.1m (£19.9m) despite a slow start to the year.

the year.

Separately, the money broker MW Marshall and the US government securities broker William Street Holdings, acquired last year as part of Mercantile House Holdings, and the Holdings, and the Holdings of Mercantile House Holdings, and the more than 514m Annual Politics of the Holdings. pnt in more than £14m. An agreed sale of the two operations to Quadrex Securities collapsed in February. B&C said yesterday that talks

British & Commonwealth Share price relative to FT-A All-Share index



continuing.
Falling unit trust sales meant Gartmore, B&C's UK-based investment management arm, only broke even after a 26.9m profit in the first half of 1987. However, Oppenheimer, the US fund manager acquired with Mercantile House, con-

Bricom, the commercial and service holding anheidiary which was sold to management at the end of June, made a final £21.8m (£17m) contribu-tion. London Forfaiting, in which B&C reduced its holding from 85 per cent to 40 per cent when the company was floated in February, contributed £5.5m

Abaco, the former professional financial services associ-ate taken over earlier this year, accounted for £9.1m (£1.1m), banking £3m (£1.6m), property £4.6m (£400,000), development capital and

investment £12.6m (£25m restated), and leasing £8m (£4.3m).

Group turnover rose by 40 per cent to £566m, and taxation increased to £28.Im (£25m). An extraordinary credit of £100.4m (£14.6m) reflected the surplus on the Bricom sale and London Forfaiting flotation, less about £48m in provisions relating to Bricom tax covenants and other reorganisation moves.

• COMMENT

The savage de-rating of B&C's shares has to end sometime, but is it over yet? We may be getting close. With pre-tax (and pre-amortisation) profits of £170m within reach for the full year, the fully diluted prospective multiple has dropped to close to 9, after another 8p fall in the share price to 214p yesterday. At some point, the terday. At some point, the underlying value of the constit-nent businesses — even if recorded intangibly in the bal-ance sheet — has to arrest the decline. A matching increase in the final dividend would put the shares on a prospective yield of 5.7 per cent – another source of support on the down-side. If B&C's effort to balance assets growth, through its development capital activities, with steady advances in earnings has not been fully appreciated in the City, that is largely because it has not yet been achieved. But the pieces are now in place, and sentiment is likely to take a turn for the hetter before B&C next reports. It is not too early for the patient, longer-term investor to have a go.

30 1987, made pre-tax profits

LIG shares tumble on condom problems

By Andrew Hill

SHARES OF London International Group fell 9 per cent yesterday when the condom manufacturer said that interim pre-tax profits would probably be down on last year. Mr Alan Woltz, chairman, told the annual meeting that the uneven quality of latex supplies to the group's condom manufacturers in the US and a reduction in condom stocks by retailers who overestimated the boom in the sheath market

the boom in the sheath market would have an adverse effect on the results for the six months to end-September. LIG shares fell 20½p to 199p.

"It's just a hazard of the business," explained Mr Woltz.
"Later that the US company had been buying was not up to standard and resulted in significantly higher losses in the moducion process. We never production process. We never shipped a had product, hnt more condoms were lost after testing, leading to higher

Mr Woltz said the US operation, which trades under the Ramses and Sheik brandnames and accounts for about 20 per cent of LIG's total con-dom sales, was now returning to normal.

Some new testing proce-dures had been introduced in an attempt to detect the substandard latex earlier in the process, he added. The Durex condom opera-

The Durex condom opera-tion in the UK was not affected by the uneven quality of raw materials, although Mr Woliz said destocking had struck all LIG's condom subsidiaries. In the full year to March 31, LIG increased profits by 16 per cent to £31.5m before tax, and in the first half to September 30 1987, made wastay profits

City reluctant to take a shine to interim results

Ratners almost doubled at £6.5m

By Maggie Urry

SPARKLING INTERIM figures from Ratners, jewellery retailer, met little enthusiasm from the City yesterday and the shares fell 2p to 218p. Pre-tax profits in the six months to end-July were 91.5 per cent ahead at £6.5m on sales more than doubled to £199m.

The profits included £1.2m (£756,000) from property sales and are after a £4.6m (£2.7m) interest charge. Mr Gerald Ratner, chairman,

said that most of the group's profits were traditionally made in the the Christmas period. Even so, he said, "these results clearly demonstrate that our rapid pace of growth contin-

Increasing economies of scale had allowed Ratners to price its goods even more competitively, he said, and its share of the UK market had risen by four percentage points to 23 per cent during the half

UK sales were 46 per cent higher and profits, excluding property, rose from £1.9m to £3.6m. The Ratners chain saw sales growth in like-for-like



Gerald Ratner - rapid pace of growth continues.

openings took that up to 44 per cent. At H Samuel, which Ratners bought in May 1986, sales rose 42 per cent, with like-forlike sales up 30 per cent. The figures benefited from the pur-

Talbex intends to finance the deal by issuing 19.9m new ordi-nary shares at 22p each, with

for bospitals. Other parts of

the company are involved in production of household aero-

sols, mining and property

the balance in cash.

chase of Ernest Jones in

August 1987. The US operation, built up through three acquisitions starting with Sterling in July 1987, contributed £1.7m to preFully diluted earnings per share rose 44.5 per cent to 2.76p, and the interim dividend is up 32 per cent to 1.65p.

There seems no stopping Ratners' advance, and there is still plenty of scope to expand in the US, where it will have 310 shops by the year end, even if the UK, with 830 shops by December, is getting close to the 1,000 store target. The pref-erence for volume rather than margins works since price cuts are more than offset by sales increases, and the "sales" are now near permanent features. If consumer spending weakens Ratners can claim to be at the bottom-end of the market the cheapest gold earrings are
now 99p - and the US exposure might at last be seen as a
plus. The forthcoming sale of the US consumer credit bal-ances for about \$75m (£45m) and sale and lease backs in the UK will keep gearing low, and with a prospective p/e of 9 Rat-ners is hardly likely to issue shares. Investors' concern has

US expansion for Talbex Agreed offer for Futura

TALBEX GROUP plans to strengthen its position in healthcare products through the acquisition of Victoreen, US medical instruments con-cern, from Sheller-Globe for \$12.5m (\$7.45m) \$12.5m (£7.45m).

Victoreen, which has facto-ries in Cleveland, Ohio, and Matamoras, Mexico, specialises in radiation measurement technology.

The purchase of Victoreen is subject to approval at an extraordinary meeting of Tal-bex shareholders on October 3.

BTR'S EARNINGS PER SHARE 1969 TO 1987.

MR BEVERLEY OATES, a Mancunian businessman, is making an agreed offer for Futura Holdings, the Cheshirebased footwear manufacturer.

Victoreen has annual turn-over of about \$24m, some 80 The deal ends 53 years of per cent of which emamates involvement with the company from within the US. It has an order book worth \$21m. by Mr Douglas Ward, who is resigning from the board. Mr Ward founded the group which Talbex already has a small medical division which makes aerosols and nutrition products was once known as the Ever-Rest Shoe Company.

> Mr Ward and family have agreed to sccept the offer on behalf of their 15.3 per cent holding. Mr Ostes is slso

> > 1988

acquiring their majority stake in Lataform, a company which owns 36.1 per cent of Futura.

The offer is 640p per share in cash, valuing the group at £4.5m. Mr Oates is retaining tbe group's listing and his holding will not exceed 51.4 per cent. He bas interests in employment agencies and property investment and intends to expand Futura's footwear husiness and diversify into other areas.

Futura's shares rose 105p to 600p yesterday.

Increase on

Strong markets boost Inchcape

By Clare Pearson .

rights

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BUOYANT ECONOMIC conditions in most of its markets belped Incbcape, former overseas trader restructured as an international services and marketing group, achieve a 25 per cent increase in pre-tax profits to £69.1m in the six

months to June 30.

The company, with about half of its revenue in US dollars or dollar-related currencies, said it would have achieved a 30 per cent rise at the pre-tax level at constant exchange rates. Turnover, which came out at £1.175n (£1.05bn), would have advanced

by 15 per cent. tress.
The Far East and South East
Asia provided strong environments for a number of Inchcape's 10 diverse businesses -notably, the marketing and distribution of cars, business machines, and various con-sumer and industrial products.

Thriving demand around the world lifted turnover in the dominant motor vehicle distribution division (which in the UK comprises Mann Egerton and a number of Toyota dealerships) to £710.3m (£601.9m), to give operating profits of £42m

However, the business machines division turned in a loss of £1m (against a £900,000

Wyevale

raising £3.6m

By Clare Pearson

Garden Centres

Wyevale Garden Centres is

profit) at the operating level. while insurance services made 19.4m (11.4m); both these busi-nesses had earlier been identifled for investment and acqui-

Mr George Turnbull, chair-man and chief executive, said insurance services had performed creditably in an intensely difficult environ-ment, and changes in organisational structure were under-way in the Australian business machines operation.

Lower commodity prices meant tea and timber, the old core husinesses contributed a static \$700,000 and £2.7m (£3.1m) respectively. Buying services and inspection and testing provided £1.6m (£700.000) and £4.5m (£2.3m)

Operating profits totalled £64m (£57.2m). To this, the UK contributed £28.4m (£24.8m), Europe £12.5m (£9.7m), the Far East £21.7m (£18.2m), and South East Asia £15.7m

(£12.3m).
Helped by a lower 37 per cent tax charge, earnings per share came out 36 per cent higher at 11.2p (8.2p). The interim dividend is increased by 29 per cent to 2.75p (2.13p). Since the end of June, £57.1m from the sale of residential properties in Tokyo has been taken into reserves. O COMMENT

These results were the last to be announced in the elegant surrounds of the wood-panelled boardroom at Inchcape's gra-cious City offices, which it has sold; the company is now off to pastures new, and cheaper, in St James's. The transition, part of a policy of raising funds from property to be put to use in the operating divisions, symbolises Mr Turnbull's on-going drive to impose a coherent direction on Incheape's sprawling businesses, Most observers are convinced the management really does know what it is really does know what it is doing, but these particular results could hardly be any-thing but good given the favourable conditions for the dominant marketing and distribution activities. Perhaps the least that can be said for Inch-cape is that its formidable international portfolio provides protection in the event of a downturn in automotive sales. This year, pre-tax profits of around £143m are in sight, implying a prospective p/e of about 9 for the shares. They have had a good run recently, but are seen as a solid medi-um-term hold.

Alida £5m

cumulative preference shares. The company intends to use the proceeds to accelerate growth in the run-up to 1992.
Proceeds are earmarked for
the strengthening of Alida's
manufacturing and distribution base in anticipation of increased competition in the UK, and more opportunities abroad, when the single European market comes into being. The 20 to 25-year 9% per cent

preference share issue By Clare Pearson

packaging group, yesterday raised 55m through an issue of

Alida Holdings, the plastic

preference shares were priced by Singer & Friedlander at 100.434p, to give a gross redemption yield of 12.28 per cent, which yesterday repre-sented a 2.4 per cent margin over the yield on the reference gilt. A further 4m preference shares have been authorised.

raising £3.6m through an issue of convertible cumulative pref-erence shares to enable it to move quickly as acquisition opportunities arise as well as to develop existing outlets. The 3.62m preference shares will be offered to Wyevale's ordinary shareholders on a three-for-five basis. Directors,

who together with their fami-lies speak for 78 per cent of the ordinary share capital, will be taking up 600,600 of them. The shares are convertible from 1990 at an effective conversion price of 225p per ordinary share, against yesterday's

ose of 207p. USM-quoted Wyevale-lifted pre-tax profits by 76 per cent to £1.06m on turnover up to £7.61m in the half-year to June

Thorntons slightly up on forecast By Philip Coggan

Thorntons, the confectionery

retailer and manufacturer, yesterday amounced pre-tax profits of £7.55m for the year to May 28, slightly ahead of the forecast it made at the time of its flotation in May.

At the end of the financial year, Thorntons had 177 of its own outlant 25 Mays Morrison own outlets, 25 Mary Morrison stores and 108 franchise units.

stores and 103 franchise units. So har this year, a further four shops and five franchise outlets have been opened.

Turnover was 252.5m (248.3m) and earnings per share came out at 8.67p (6.68p). There was an extraordinary debit of 2440,000 relating to provisions for closure of the Shelifield factory and a termination payment to Mr Peter Thornton, who left the group last year.

last year. There is no dividend.

THE 2560m offer from the British Coal Pension Funds for TR Industrial and General. Britain's second-largest investment trust, yesterday ran into sharp criticism from the TRIG-board.

In response to the formal offer document, TRIG – which is managed by Touche Remnant – described the hid as "one which shows scant regard for fellow shareholders."

The offer takes the form of a 129 % p.a. share cash bid. This would, on current brokers' estimates, give shareholders around 94 per cent of the underlying net asset value of their shares.

their shares.

The TRIC board notes that this fixed price offer provides protection against a fall in stock markets for TRIC share-

holders while the offer is open. With this in mind, it says it cannot, at this stage, express a view as to the merits of the offer's value. It strongly edvices shareholders to take no action at present.

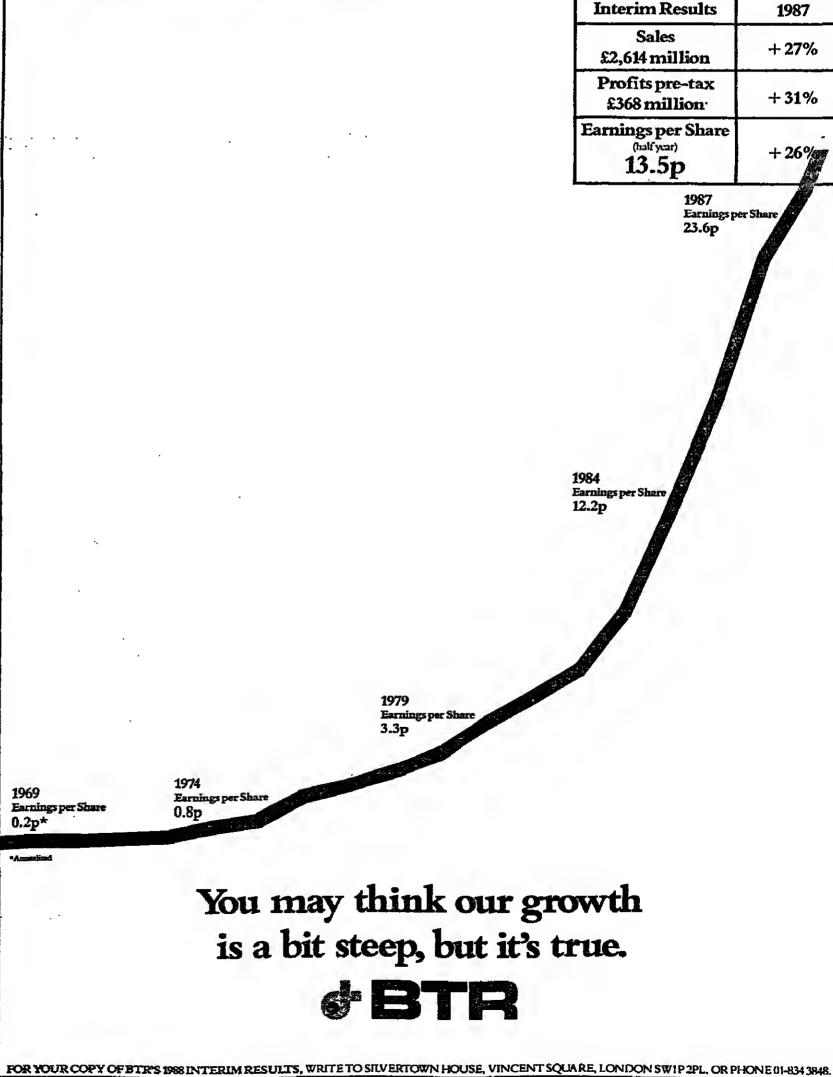
TRIG board critical of offer

However, the board goes on to criticise the structure of the funds' bld, in particular the potential capital gains tax liability which could arise for some storeholders.

TRIG argues that the bid places other shareholders in a position where they may feel obliged to accept the offer, in spite of the serious adverse tax consequences which they may suffer. It notes that large nationalised industry pension funds need have little regard for tax consequences in con-ducting their affairs.

The board also argues that there are alternative forms of consideration which would suit other TRIG shareholders better, although these could only be achieved with pension funds consent given that they hold 36 per cent of TRIG's shares. In spite of some contact between advisers, TRIG says that the pension funds have declined to discuss any alterna-

In response to the TRIG statement, the British Coal Pension Funds reiterated their belief that the offer was fair. They made no direct comment on the tax situation, but did point to their previous experi-ence when bidding for snother trust, Drayton Premier, where a loan note alternative attracted relatively few takers.



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Bellwinch

builds up

48% rise

Sharply increased contribution from property division

AB Ports up 59% to over £21m

ASSOCIATED BRITISH Ports, port operator and property developer, boosted pre-tax prof-its by 59 per cent to £21.2m during the six months to June 30, supported largely by a sharp improvement in returns from the property division

from the property division.

The rapid expansion in development of surplus port property coupled with a strong contribution from Grosvenor Square Properties, acquired in January last year, pushed the division's profits up from £4.4m

Property contributed £30m (£7.9m) to group turnover which totalled £113m (£87.1m). The interim divideod is being lifted from 2.2p to 3.1p. Sir Keith Stuart, chairman of

the company which was valued at £45m in 1983 when the Government sold a 51 per cent stake to the public, said the property development work in progress or near completion assured another strong return from the division during the current half.
ABP has 8,000 acres of land

opment of 3,000 acres possible and work underway at 12

The major development work is at Southampton and Plymonth while construction has also started on an 83 acre retail and entertainment centre

Grosvenor Square Properties, with property investments of £500m, is increasing the company's involvement in retail, office and husiness developments with the London Pavillion in Piccadilly Circus the major completion during

Despite severance costs of £3.3m, port services operations lifted their pre-tax return from £9.4m to £11m.

Lower exports of coal and grain, caused by last year's poorharvest, also affected profits although the majority of the company's ports performed well, Sir Keith said.

The link with P&OCL and Ben Line to run Southampton Container Terminals had increased the company's confi-



Sir Keith Stuart - majority of ports performing well.

operations at the port. All of the company's South Wales ports were operating profitably and investment was continuing at Plymouth on a new passenger terminal and the expansion of coal export facilities at Avr.

The halance between ABP's port services and property operations is unlikely to conoperations is unitarily to continue much beyond the current year. The latest figures provide further evidence of the poten-tial within property via Gros-venor and surplus port land. Benefits of development work will flow into the accounts with greater force next year While the port service activi-ties have been stripped back to operate on an improved economic basis, improved returns are linked to internetional trade conditions, which is heyond influence. In weight terms, ABP already controls 25 per cent of the cargo moving through British ports and a significant improvement on this figure is unlikely. Assuming £45m for the year, the com-pany is on a prospective p/e of 14.9. This may appear expen-sive on a trading basis but may be justified on an asset basis

accelerate thereafter. after a property revaluation, now underway, is completed.

Magnolia steady

Pre-tax profits rose marginally from £563,000 to £572,000 at Magnolia Group (Mouldings) in the six months to June 30 on sales up 11 per cent from 28.62m to £9.6m. The interim dividend is

for a total of 3.75p (single 1p

raised to 1.55p (1.4p) on earnings per 10p share of 6.38p (6.29p). The company imports and makes picture frame mouldings. Mr R Wallrock, chairman, said that following review of manufacturing activ itles, production was being transferred from Essex to Loughborough.

Westpool advances Westpool Investment Trust

saw pre-tax profits advance 44 per cent from 2.84m to £4.1m in the year to April 30. Westpool controls more than 50 per cent of the equity of London Merchant Securities, the accounts of which are made up to March 31 and have not been consolidated. There-fore Westpool's 1988 figures reflect only the dividends — £3.11m (£2.97m) - received

from LMS.

Earnings per share were 2.95p (2.09p) basic and 2.5p (1.78p) fully diluted. The directors have proposed to raise the final dividend to 1.45p (1.35p) for a total of 1.8p (1.7p).

Corp Estates soars

Corporate Estates Properties, USM quoted property devel-oper, lifted pre-tax profits from £322,989 to £1.19m in the first half of 1988, on turnover up more than eight-fold to £20.9m, against £2.6m.

Fully diluted earnings per share were 2.33p (0.9p) after tax of £398,400 (£113,000). The interim dividend is hoisted to 1.25p (0.3p) - last year's final was 0.45p.

Candover expansion Candover Investments, investment company with interests in management buy-outs, reported a 23 per cent increase in net assets from £25.44m (352p per share) to £31.34m (432p) at the end of the half-year to June 30. Pre-tax profits moved up from £474,000 to £690,000 and after tax for the group and its associetes of £244,000 (£170,060), earnings rose to 6.16p (4.25p) per share. The interim dividend is lifted 17

Equity & General Equity & General, financial

per cent to 3.5p (3p).

services and motor distribu-tion group, lifted pre-tax profit 28 per cent from £434,000 to £557,000 in the first half of 1988. Turnover increased from £13.47m to £15.56m. After tax of £139,000 (£112,000), earnings worked through at 1.79p (1.38p) per 5p share. The interim dividend is

The continuing competitive market and significant loss at

Turnover of the group, which maintains and distrib-

Memory Computer

Memory Computer, USM-quoted computer soft-ware and systems group based in Dublin, announced pre-tax profits almost halved at IE313,000 (£268,000) against

Multitude of problems combine to cut James Neill to £2.7m

By Floria Thompson

BELLWINCH, the south of England housebuilder, yester-day reported a 48 per cent jump in pre-tax profits from \$4.75m to \$7.02m in the year JAMES NEILL Holdings, Britain's largest manufacturer of hand and garden tools, yes-terday reported a drop in pre-tax profite from \$3.82m to \$2.71m for the six months to June 30 1988.

54.75m to £7.02m in the year to June 30 1988.

Mr Robert King, the chairman, said all divisions produced their expected contributions. He believed the group was now structured for the next phase of its growth and would continue to develop further distributions. June 30 1988.
Earnings per share fell from
11.5p to 7.5p and an interim
dividend of 3.1p (3.0p) was
declared. The shares dropped

"The figures did not show the improvement we had hoped for," said Mr Peter Bullock, chief executive. would continue to develop int-ther divisions as opportunities became available.

Although the majority of profit was expected to arise in the second half owing to There were a number of rea-

sons. The loss of two major contracts, to supply its Spear & Jackson garden tools to Woolworth Holdings and Wilkinson Sword, knocked about £600,000 delays in receiving detailed planning consents on certain sites, a strong performance was expected in the current off sales. A sweping reorgani-sation of the group's manufac-turing facilities, involving the introduction of sophisticated Turnover, adjusted for a change in accounting policy, was 36 per cent higher at £42.44m (restated £31.23m). Fully dilnted earnings per computer numerically con-trolled (CNC) machine tools, share rose from 10.6p to 13.7p and the board is recommend-ing a final dividend of 2.65p cost £259,000.

A consultancy exercise to improve systems and increase

SCHRODERS, the City merchant banking group, suf-fered a fall in profits in the

first half of this year. However, as is customary at Schroders,

its interim results announce-

ment yesterday gave no

The interim dividend is

being maintained at 6p a share. Mr George Mallinckrodt, the executive chairman, said that

downward pressure on profits had come from low activity in the securities markets, notably

in fund management and the lack of new issue underwriting.

Unlike many merchant banks; Schroders does little securities

By contrast merger and acquisition work had grown

design and communications consultancy, achieved an 83 per cent jump in pre-tax profits for the year to June 30. Turn-over was ahead by 88 per cent

from £11.99m to £22.55m and the taxable result was £2.18m compared with £1.16m.

increased 3.7p (3p) total Earnings per share moved up from

10.07p to 14.14p. Mr Michael Peters, chair-

LONDON United Investments,

insurance holding company, reported a fall in pre-tax profits from £5.33m to £4.17m in the

first half of 1988.

Mr C R Driver, chairman, said results had been hit by

group overheads, inflated by

the interest charged on the bank loan used to capitalise

the First Reinsurance Com-

pany of Hartford Also exchange rate fluctuations resulted in less commission

income and e reduction of bro-kerage suffered by R L Jarrett (Holdings), due to the defection of production staff, meant it

McLaughlin &

Harvey up 20%

McLanghlin & Harvey, USM-quoted builder and civil

engineer, reported pre-tax profits of £808,000 for the first half

of 1988, up 20 per cent from 2673,000 last time. Turnover rose 74 per cent

from £25.12m to £43.78m and after tax of £302.000 (£218,000),

earnings per share worked through at 12.5p (11.2p). The interim dividend is raised to 3p

(2.5p).
Mr Charles Denny, chairman, said trading conditions in all divisions continued to be

encouraging and turnover had been boosted by the start of a number of larger contracts.

dealing.

By David Lascelles, Banking Editor

productivity resulted in fees totalling £628,000, and caused more disruption than antici-pated. A new Britool venture to be launched next year has so far cost £250,000.

Finally, currency fluctua-tions affected the results by about £290,000.

On the plus side, Mr Bullock said that after implementation of the consultants' recommen-dations, the company expected to make cost savings of at least £750,000 in the first year, and more thereafter.

The Britool venture will involve the distribution of tools to mechanics at their

places of work in competition with with Snap-On of the US. Mr Bullock said while the second half would see an improvement, he doubted that the full year's result would match the 1987 figure. But he remained optimistic looking forther shead.

strongly and produced an-increase in profits. Schroders

has recently topped the UK mergers and acquisition league tables.

Wertheim, the Wall Street investment bank in which

Schroders has a 50 per cent interest, had also seen a dip in

profits in the first half of the

year, also because of condi-tions in the securities markets. He stressed that the compari-

son was with last year's first half which was one of the best on record, and he was pleased.

with the spread of Schroders' business and the diversity of its activities, but believed that the outlook depended heavily on developments in the US.

restriction on growth in profit-ability in the short-term due to the impact of long-term devel-

and high growth in those mar

The chairman said the underwriting cycle had again turned, premium rates had

been cut materially and US market competition had increased in spite of the rate

cutting. It was possible that the present downturn might be of short durationand while he

felt cautious for the present, he

was optimistic for the future. First-half turnover grew £6.67m to £63.28m. Tax charge

was £1.61m (£2.06m) and earnings per share 4.42p (5.9p). The interim dividend is maintained

Drop in profits

for Intereurope

Interenrope Technology, Services, involved in technical documentation, suffered a fall

in pre-tax profits from £1.8m to

2545,000 in the year to June 30. The taxable figure was

an unchanged total of 6.4p.
Operating efficiency was
now showing signs of improvement following action taken in
the second half.

Tax took £818,000 (£427,000)

kets was expected.

Mr Mallinckrodt said that

Group turnover was flat at £42.12m (£42.16m). After inter-

Schroders' profits down

but dividend maintained

Michael Peters up 83%

MICHAEL PETERS Group, man, said that it would be USM-quoted international unrealistic not to expect a

the major of long-germ developer the year to June 30. Turnover was ahead by 88 per cent in the department stands a down turnover was ahead by 88 per cent in the department stands are the use in the US. Nevertheless, the taxable result was 22.13m in the future. The group's compared with £1.16m.

A final dividend of 2.2p (1.8p) mes were experiencing strong is recommended for an demand in the UK and Europe

London Utd profits slip

but warns of slowdown

est payable of 2754,000 (2608,000), trading profit was virtually unchanged at 22,960 (22,98m).

COMMENT

There are lots of its surrounding James Neill at the moment, if it can get its CNC teething problems sorted out, if the conproblems sorted out, if the consultants' recommendations prove to be as cost effective as thought, if the new products launched are successful, if the Britool venture takes off, then 1989 should be a much better year. I Neill has excellent brand names, and credit must be given for its moves to upgrade productivity and product quality. On the Britool launch, it may find that wooling mechanics away from Snap-On is harder and takes longer than expected. Analysis longer than expected. Analysis have downgraded the full year forecast to £5.5m, putting the shares on a prospective p/e of 10, which could include a bit of bid speculation.

SD-Scicon at £4.3m and going to plan

SD-SCICON - the computer ftware group formed in April following a merger between Systems Designers and Scicon, a subsidiary of BP, the oil com-pany — made £4.34m before tax in the six months to June 30. The figures included a twomonth contribution from Scicon and sales rose to £78m. Systems Designers returned pre-tax profits of £3.18m in the first half of 1987, on turnover

Mr Philip Swinstead, chairman of the merged group, said yesterday: "Everything is going exactly as planned. The figures show what we said in April was true - there are no nasties in the cupboard at Sci-con, which is working hard to Overall operating margins dropped from 10 per cent to 7 per cent as a result of the acquisition and earnings per share were slightly down at 1.67p (1.7p), but Mr Swinstead said Scicon had already returned to profitability, having lost money for the past

three years under BP.

He said he expected Scicon to achieve acceptable margins during 1989, enabling the group to start looking for further acquisitions, particularly in the US, where SD-Scicon has a number of niche software

companies. The merger took Systems Designers into two new Euro-pean markets in France and Germany, and donhled the group's size in the UK. In the first half European profits increased from £1.94m to £2.56m and the US contributed £2.8m (£1.75m). Mr Swinstead sald be was particularly pleased with the

applied software operations in the US, notably five depots measuring vehicle exhaust emissions, a legal requirement in some states.

The group is declaring an interim dividend of 0.275p

© COMMENT

These results are slightly meaningless given the changes undergone by the group since the beginning of the financial year and the improvements in margins still to be gained from Scicon. The shares were static yesterday at 75p. Not until next year will followers of the stock - including British Aerospace, which holds a 23 per cent stake - know whether SD's gamble on the underlying strength of the Scicon business has paid off. However, the interim statement was positive and integration and reorganisation seems to be proceeding more quickly than expected. In the shorter term, the market in SD-Scicon shares is likely to be dull, as the City waits to see whether the group is again awarded the Incrative exhaust emission contract in Maryland, US: a decision is anticipated in early October. Forecast pre-tax profits for the year of about £15m would put the shares on a prospective p/e of about 17. On a medium-term view of a year or 18 months, this looks cheap compared

Diversification pays off at British Mohair

By Alice Rawsthorn DESPITE STATIC sales, British Mohair Holdings, spe-cialist textile and industrial group, lifted pre-tax profits by 11 per cent to £2.4m in the six months to June 30.

British Mobair hegan the 1980s as a specialist textile to magazaea i and processing of mohair and alpaca. It has since broadened the base of its business - to reduce reliance on mobair prices - by diversifying into textile machinery, razor blades Mohair now provides half of

Sale Tilney

in first half

operations.

down slightly

As foreshadowed last month,

Sale Tilney turned in margin-ally lower interim results,

reflecting the effect of the crash on its financial services

Pre-tax profits in the six

months to May 31 slipped from £2.22m to £2.16m and directors warned that the full year figure would be slightly less than previously anticipated.

While the financial services side did not match the rate of

profit achieved before last

October's crasb, it had per-formed with credit in flat mar-

kets, made more difficult by

the confusions and burdens caused by the Financial Ser-vices Act, directors said.

Steps had been taken to cut costs and broaden the range of

services. Elsewhere, the food

and industrial divisions had a successful half year while the

insurance side as a whole was-performing well in difficult markets. The directors were encouraged by prospects of the recent acquisition, Spraybake.

First-balf group turnover was £37,21m (£42.38m). Earn-

ings per share came out at 5.7p (7p) and the interim dividend is 4.5p (4p).

the group's sales. Mr Charles Little, managing director, said that the group would continue to expand its non-mobair interests but that the balance of the business would remain stable.

The group saw domestic sales increase modestly to £16.9m (£16.8m), but export sales slipped to £4.8m (£5m).

Turnover of British Mohair Spinning was static -reflecting the state of the world mohair market – although profits improved because of the impact of recent cost cutting.

Shell Transport and Trading and Royal Dutch/Shell, the UK

and Dutch identities respec-

tively, yesterday announced increases of more than 30 per

cent in interim payments for 1968, but said the finals would be lower than those paid in

Shell Transport is to pay

21.5p (16.5p) on first-half earnings per share of 49.1p (45.9p).

BOASE MASSIMI Pollitt, edvertising agency, which recently agreed a merger with Davidson Pearce, has acquired the Merchandising Group for an initial payment of £1.5m. It has also taken a 37.5 per cent at the in Goodhy Bertin and Silvertin an

stake in Goodby Berlin and Silverstein, San Francisco-based

agency.

Merchandising is a field mer-

chandising and contract sales

company which made pre-tax profits of £222,000 in 1987 on

turnover of £4.2m. Further pay-

Mr Little said that there were now signs of an upturn in demand for mohair, which may improve performance in the

The best performers among the group's industrial interests were Stork Bros, woollen spin-ners, and T Mat Engineering, accoustic engineers, which both henefited from investment in new buildings and

Mr Little said that other industrial interests also fared well. The only disappointing area of activity was Jarol, hand

Royal Dutch is to pay F1 6 (F1 4.5) on first-half earnings of F1 11.86 (F1 10.4). Net assets

per share were Fl 202.43 (Fl 189.54). It paid an FL 8.3p

Shell Transport plans a two-for-one scrip issne; Royal Dutch is to split each of its Fl 10 shares into two Fl 5

ments of up to £2.2m may be made, depending on future per-

BMP paid \$1.52m (£897,000) for its initial stake in GBS and

has an option to acquire the remainder. GBS made e pre-tax

loss of \$87,000 in 1987 but the

current trading performance indicates a profit for 1988 of

BMP also said that current

trading was encouraging with

more than £30m of new billings

achieved in the last week.

\$300,000.

Shell evens out dividends

THE SHELL group is evening out the annual distribution of its dividends.

Shell Transport and Trading

with 30% interim rise

BMP in two purchases

knitting yarn spinner, which suffered from the slump in the

hand knitting sector.

Jarol suffered a fall in sales during the first half. The business was still profitable, but the level of profitability had been reduced. The level of demand for hand knitting had strengthened in recent weeks, but Mr Little said that it was not yet clear whether the improvement was due to a seasonal quirk or to a genuine recovery in the market.

Earnings per share increased to 11.63p (10.89p). The interim dividend is unchanged at 1.4p.

Aberdeen Fund Managers acquisition

Aberdeen Fund Managers, the investment management group, is acquiring Certa, a privately-owned fund management business for an undis-closed sum. Certa, which was set np in the early eighties, has around £10m under manage-ment - of which about 12 per cent is accounted for by Multi-trust, a listed investment trust which was formed in early

Aberdeen, which recently acquired the Atlanta unit trusts from Bestwood and the investment management division of Baltic, manages some \$150m. Certa will operate as a division of Aberdeen Fund Managers and individual man-agement of Multitrust will not he affected.

Finlay Packaging

Taxable profits of Finley Packaging, Belfast-based col-our printer, increased by just 5 per cent to £563,000, on turnover up from £4.51m to £4.91m. Earnings per 5p share increased to 426p (4.06p). The interim dividend is maintained

raised to 0.5p (0.4p). Public inquiry for Manchester Ship plans

DDT profit falls

market and significant loss at its hardware sales company resulted in lower profits at DDT Group in the year to March 31 1988. The pre-tax fig-ure of £366,874 compared with £590,497 previously.

when maintains and distri-utes equipment for computers, rose by 5 per cent from £6.9m to £7.28m. An unchanged final dividend of 1.2p is proposed on earnings per 5p share of 2.98p (5.64p).

2610,000, for the year to Jime 30. Turnover was £12.93m (£9.13m), and fully diluted earnings were 0.54p (1.5p).

Manders up to £2.7m at six months

Manders (Holdings), property manners the dinary protection investor and manufacturer of paint, printing inks and decorators requisites, reported a rise in pre-tax profits from \$2.47m to £2.71m in the first half of 1988.

Of this, trading contributed \$1.86m (£1.62m) and property £1.42m (£1.25m). Interest pay-able was up at £567,000 (£405,000). Turnover for the group, however, was slightly down at £28.96m (£29.37m). Earnings moved up 22 per cent to 6.34p (5.2p) and the interim dividend is raised to 1.8p (1.5p). Mr. R. Amos, chairman, said that sales in the second half had started well and prospects for the rest of the year were encouraging.

Epwin downturn

Epwin Group saw pre-tax profits fall from £902,000 to £604,000 in the six months to June 30 1988. This came from turnover of £16.62m, up 24 per cent from £13.44m last time. Earnings per 10p share fell from £9p to £9p.

The comment which menu-

The company, which manufactures uPVC replacement windows, is quoted on the USM. It is maintaining the interim dividend at 1.5p. The chairman said a had debt provision of £160,000 had been made relating to one customer.

S. 4035 B. C.

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調整

di rajer

George Ingham and Co, worsted spinner, has reported pre-tax profits of £215,000 for the six months to June 30 on sales ahead 43 per cent to £3.68m. This compared with £193,000 in the previous first half on sales of £2.57m.

Earnings per 10p share were 6.93p (7.75p) on a net basis and on a nil distribution basis 6.93p (6.21p). The interim dividend remains 1p.

Garton rises 65%

Garton Engineering, West Midlands based components and fasteners group, revealed a 65 per cent expansion to 2561,000 in taxable profits for the six months to end-June. Turnover rose 38 per cent from £7.49m to £10.84m. Earnings per 10p share worked thiough at 9.84p, up from 6.54p last tune, and the interim divi-dend is set at 1.5p (1.25p).

Triefus at £1m

A strong first half of 1988 at Triefus, supplier of diamonds for engineering products and drilling equipment, saw pre-tax profits rise 90 per cent from £535,000 to £1.02m. Turnover rose from £12.83m to £75.14m. The interim dividend is struck on turnover which slipped to £11.59m (£11.9m). The tax charge was lower at £224,000 (£638,000) and earnings per 20p share fell sharply to 6.31p (23.26p). The directors have proposed to maintain the final dividend at 4.4p to make an unchanged total of 6.4p. The interim dividend ls increased from 0.5p to 2p.
Earnings came out at 7.37p
(3.26p). The directors said UK
profitability had increased submanufacturing and gem com-panies had their best ever Jan-

Coloroll moving into furniture

home products group, is diver-sifying into furniture by buy-ing the William Barrett Group, a private company, for £14.9m in shares and cash.

Barrett is composed of five companies making uphoistered furniture. The companies, all based in the south Midlands, have a workforce of about 600 people in its last financial year Barrett made pre-tax profits of £1.9m on sales of £24m.

group within the home prod-ucts field, has expanded rap-idly hy acquisition in the past three years. In June it staged its largest acquisition to date

trol of the John Crowther car-pets group. It has been considering diversification into furniture for the past two

The cost of entry to uphol-stered furniture is compara-tively low given that the pro-duction process is highly labour-intensive with a low level of automation. Tradition-ally the £700m industry has been divided between hun-dreds of small family firms, But three years ago Hillsdown Holdings emerged as a power-ful player with the acquisition of Christie Tyler.

Mr Jeremy Scholes, group development director, said that

Coloroll was attracted to upholstered furniture as "a very, very fragmented market with few strong players".

Coloroll is paying £14.9m for Barrett in a deal composed of £7.16m in variable rate unsecured loan notes, £7.16m in shares and £600,000 in cash.

Once the acquisition is completed Coloroll will conduct a Once the acquisition is con-pleted Coloroll will conduct a review of the husiness to final-ise its strategy. Mr Scholes said that it intends to introduce more modern designs, to boost sales by building the cus-

Geo Ingham ahead

stantially. In Australia the uary to June.

COLOROLL, the ambitious

Coloroli, which is committed to building up e broadly-based

after a bitter bld battle for con-The cost of entry to uphol-

tomer base; and to improve efficiency by automating part of the production process. It also plans to introduce a range of furniture under the Coloroll

By Ian Hamilton Fazey, Northern Correspondent THE PROTRACTED battle for control of the Manchester Ship Canal Company took yet shareholders in effect forced a

public inquiry into plans that would restructure the board would restructure the board and give Mr John Whittaker, the property developer, full boardroom control.

Because the restructuring would involve a Parliamentary order under the Harbours Act, the objections will result in a public inquiry, whatever the result of an extraordinary meeting on September 29.

meeting on September 29, which has been called to approve the changes.

Mr Whittaker has enough votes to win at the meeting. The changes are part of a deal Mr Whittaker has made with Manchester City Council, which has a constitutional right to a boardroom majority of one, arising from the council rescuing the company from financial collapse in 1904.

Under the deal the company would repay the council £7m it owes in exchange for tha numowes in exchange for the number of city councillor directors being reduced from 11 to one. The company and council would also form a joint property development company that would guarantee the city another £3m through projects run by Mr Whittaker in Manchester over the next three

chester over the next three The total sum represents the

city's price for getting out of Mr Whittaker's way. The minority shareholders were hoping that the city councillor directors - by acting as inde-pendents in the interests of all shareholders - would act as a possible brake or block on Mr Whittaker's plans, if the minor-ity shareholders did not like

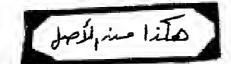
Mr Whittaker controls the Ship Canal through Great Hey Developments, his private com-pany. This took over the share-holding from Highams, another private company, when he sold its industrial textiles business and trading name earlier this

Highams was the vehicle for

his bitterly contested takeover bid for Canal, which ended last year with his taking control through acquiring the vast bulk of the canal's preference shares but a minority of the ordinary shares. There are 4m

ordinary shares. There are 4m of each type but they carry equal voting rights, in spite of a large disparity in value.

Last month Great Hey tried to buy out the remaining ordinary shareholders but was rebuffed. The minority believes the shares could be worth up to three times the price offered if the company gets planning permission for a huge retail complex on 300 acres of virgin land abutting both canal and the north-west's comprehensive motorway network.



CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

mbine 7m

iers up

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million alex

Sterling steady on mixed data

The dollar finished little chand from its weaker opening, ling to attract any follow rough demand, after bet-

ter an expected July trade figure. Sentiment was influ-ence by the threat of central

bar intervention, after the US Feral Reserve Board had

so dellars in New York, late of ednesday

entiment was further influ-ced by US retail sales figures

f August, which showed a 0.2 c. decline, against expecta-ms of a 0.3 p.c. increase, and

slow down in capacity utilisa-

Sterling was unaffected by yesterday's batch of economic pared th FFT10.7025. yesterday's batch of economic data, and finished little changed on the day against most leading currencies.

News of a smaller than expected rise of 0.2 p.c. in July unit labour costs and a lower than forecast £2.9bn current account deficit in the second quarter, was countered by a sharp rise to 9 p.c. in July's average earnings. The pound drew support

from higher interest rates - the letter moving defensively firmer ahead of today's release of August retail prices. Evidence that the UK econ-

omy is still growing strongly, despite the steady rise in interest rates, led some traders to he lower figures would ease suggest that a further rise in any upward pressure on interbase rates was likely sooner est rates and defer a possible rather than later.

Sterling's exchange rate trading had been subdued, index finished at 75.4 trading had been subdued, index finished at 75.4 with few guidelines emerging from the Far East, since Tokyo and Wednesday's close was closed for a national holidaging the body of the point of the far East, since Tokyo and the follar, the point rose to \$1.6500 from \$1.6750 at the dollar glosed at the dollar alosed at the same rates in interest rates. Early success the same rates and defer a possible rate in interest rates and defer a possible rate in interest rates. Early strongly from the far East, since Tokyo and Wednesday's close for a national holidaging the follar glosed at the same rates was likely rates in interest rates. Early trading had been subdued in the far East, since Tokyo was closed for a national holidaging the follar glosed at the same rates and defer a possible rate in interest rates. Early trading had been subdued in the same rates and defer a possible rate in interest rates. Early success in interest rates. Early success in interest rates and defer a possible rate in interest rates. Early success in interest rates and defer a possible rate in interest rates. omy is still growing strongly, despite the steady rise in inter-

was also higher against & D-Mark at DM3.1500 fm DM3.1475. The DM3.15 levis regarded as a significant ris-tance point, but readed upward pressure on infest rates could see this broke. The pound was waker against the yen at 7224 from Y225.50, but improve elsewhere to SFr2.6550 from

£ IN NEW YORK

Latest Close STERLING INEX - (Sept.15 Previous CURRENC' RATES

0.768326 1.29947 1.58840 16.9360 50.6371 9.25937 2.40961 2.72304 8.21785 179-21 173-479 8.92606 861,116 8.33220 2.02847 195-310 0.858576 1.10536 1.39262 14.5796 43.4874 7.95524 2.07309 2.37937 7.05161 1547-50 148.117 7.64961 138.424 7.14722 1.74922

CURRENCY MOVEMENTS

OTHER CURRENCIES

20.0045 - 20.1455 11.9200 - 12.00 2.1020 - 2.1050 12.725 - 1.226 536.60 - 539 46 319,75 - 321. 7.4420 - 7.4550 4 43.99 - 44. 252.55 - 277.10 146.60 - 133 13.0965 - 13.1135 7.0900 - 7.8 120.000 1213 35 777.00 - 749. 0.48100 0.48110 0.26600 - 0.75 4555 - 64.05 97.25 - 50 3823.40 - 3891.10 277.00 - 38.00 2.7355 - 27375 1.4800 - 205

MONEY MARIETS

UK raes firmer in nervois trade INTEREST RATESINISHED on a firmer note in Lodon yesterday, as traders sowed their concern ahead if today's release of Augustnflation figures. The sharp re in borrowing costs, highlished by an increase in morage rates, is in band 4 still p.c.

increase in morage rates, is expected to pusithe monthly increase up to avaid I p.c. In the sternoon, the Bank revised inforecast to a short-The key thremonth interbank rate was ligher at 124-124 p.c. compared with 124-12 p.c. on Wednelay, while the age of mound £400m, before taking into account the morn-ing help Assistance in the afternoof totaled £12m, and comprised outright purchases of eligible bank bills in band 4 at 114 Ac. Late help came to 12 pr cent from Ampit 25 & 26

£85m, saking a total of £319m. one-year rat moved up to 12%-12% p.c compared with 12%-12% p.c. Overnight funds were also mere expensive, as the markef faced an unexpected large-shortage of liquidity from a readest opening of intest rates remained firm in Frinkfurt, as commercial bank drew in funds to meet main tax payments. Wednes-day allocation of DM12.6bu ity. From a nodest opening of through the Bundesbank's lat-10-9% p.c. avernight money rose to a hih of 13 p.c. in the est ale and repurchase facility weregarded as more adequate the generous, despite an ini-tic favourable response.

The Bank of England fore-cast a shatage of around £500m, with factors affecting the marks including bills maturing diside official hands dowever banks managed to the marks including bills maturing chaids official hands ith the Bundesbank to less a take p of Treasury bills, adding from to the system adding from to the system. This was filsel by Exchequer transactions, which drained dous, showing concern that £1,25m, aid a rise in the note any renewed currency intercirculation of £55m. In addicirculation of 555m. In addi-vention by the Bundesbank to tion, bauts brought forward support the L.Mark, would balances \$15m below target. draw funds out of the system.

DM1.8745, down from DM1.8790

and Y133.60 compared with Y134.60. Elsewhere it finished at SFrL 5800 from SFrL 5835 and FFr6.3725 compared with FFr6.3900. On Bank of England figures, the dollar's exchange rate index was unchanged at The D-Mark continued to

lose ground against the yen. Having slipped below Y72.00 on Wednesday, the D-Mark was wednesday, the D-Mark was trading at Y71.27 compared with Y71.63 at the previous close. Dealers expect the downward pressure to continue, with Y71.00 seen as the next significant support level.

Elsswhere the D-Mark showed little overall change. It was however, slightly firmer

was however, slightly firmer against the French franc, in early trading, reflecting a slightly softer tone to French interest rates, and was quoted at FFr3.4025, up from FFr3.4000 on Wednesday, but slipped back towards the close to finish unchanged from its expension.

loll	ar	los	ed at	ish uncha night leve	mged from L	its over
\$ I	UR (PE/	AN CUR	RENCY	UNIT RA	TES :
	CENT 198	af S	Currency amounts against Eco Sept.15	% change from central rate	% change adjusted for disorgence	Ofvergence Harit %
	783 100 137 176	982 5212 853 1403 1913 1411 3.58	43.4874 7.95524 2.07309 7.05161 2.33937 0.772997 1547.50	+2.42 +1.31 +0.71 +2.14 +0.86 +0.54 +4.31	+1.03 -0.08 -0.05 -0.75 -0.85 -0.86 +3.46	±1.5344 ±1.5404 ±1.0961 ±1.3674 ±1.5012 ±1.6684 ±4.0752

POUND SPOT- FORWARD AGAINST THE POUND

DOLLAL SPOT- FORWARD AGAINST THE DOLLAR

EURO-CURRENCY INTEREST RATES

EXCHANGE CROSS RATES DM Yen F.Fr. S.Fr. H.Fl. Lina CS B.Fr. 1 1.600 3.150 224.5 10.71 2.655 3.550 2347 2.052 66.00 0.595 1 1.075 133.6 6.375 1.500 2.113 1397 1.221 39.29 71.27 5.400 0.843 1.127 745.1 1000. 47.71 11.83 15.81 10454 14.03 2.479 3.315 1.337 209.6 10. 84.56 4.034 63.24 3.017 0.748 1 661.1 93.65 4.563 1.131 1.513 1000. 0.578 0.819 1535 109.4 5.219 1.294 2545 4.773 340.2 16.23 4.023 Yea per 1,000: French Fr. per 10: Lita per 1,000: Beiglan Fr. per 100.

FT LONDON INTERBANK FIXING (11.00 a.m. Sept.15) 3 months tiS dollars

The fixing rates are the arithmetic means rounded to the nearest one-streeth, of the bid and offered rates for \$10m enoted by the market to five reference banks at 11.00 a.m. each working day. The banks are National Westerioster Bank, Bank of Yolyo, Desische Bank, Banke National de Paris and Morgan Gazranty Treat.

MONEY RATES NEW YORK Treasury Bills and Bonds (Lunchtime) 4.80-4.95 72-70

LONDON MONEY RATES Sept.15 13 94

Treasury 81th Seril, one-month 11.2 per cent; three months 11.2 per cent; Bank Blis Seril; one-month 11.5 per cent; three months 11.2 per cent; three months 11.3 per cent; threat months 11.4 per cent; Treasury Blils, Artrage tender rate of discount 11.5509 p.c. ECGD Fined Rate Sterling Export Finance. Make up day Aug. 33. 1988. Agreed rates for period September 25. 1988 to October 25. 1988, Scheme 1: 12.27 p.c. Reference rate for period July. 30.1988 to August. 31. 1988. Scheme (VAV) 11.364 p.c. Local Authority and Finance Houses seven days make, others seven days fixed. Finance Houses Bank Deposit Rates for small seven days notice 3.75 per cent. Centificates of Tax Deposit Series 6): Deposit 2100,000 and over held under one month. 9 to per cent; one-time months 9 to per cent; three-six months 9 per cent; she-size months 9 per cent; inhal-methy months 9 per cent; Under £100,000 7 per cent July. 5,1968. Deposits withdrawn for cash 5 per cent.

FINANCIAL FUTURES

Prices slip on inflation fears

tract touched s low yesterday of 87.67. The support level is expected to bold, unless today's release of retail prices

is much worse than expected.

Long gilt prices also finished on a weaker note. The Decem-

ber price finished at the day's

low of 93-18, having opened at 93-28 compared with 94-00 on

LIFFE SHOUT STERLING

250 5.05 8.85 13.30 18.10

Linest High Low Pres. 0.7468 0.7472 0.7462 0.7468 0.7529 0.7532 0.7522 0.7508 0.7590 0.7590 - 0.7570 0.7660 0.7660 - 0.7642

Wednesday.

STERLING BASED contracts lost ground in yesterday's Liffe market, as investors showed of 87.67. The support level is their concern at a disturbing rise in average earnings. The December three-month sterling deposit contract slipped to 87.70 at the close from an open-ing level of 87.79 and Wednes-

day's close of 87.84. Dealers pointed out that there was a very strong sup-LIFFE LONG GILT FUTURES OFTEN

PHILADELPHIA SE (/S OPTIMOS [12,500 (augis per 51)

Estimated volume total, Calls O Pets O Previous day's open lat. Calls 753 Pets 2592

Estimated Volume 78 (121) Previous day's open let, 1977 (1958)

Close High Low Pres, 176.00 176.90 175.70 176.10 177.80 178.70 177.50 178.00

Estimated Volume 11442 (27519) Previous day's open loc, 11142 (10506) CURRENCY FUTURES

Estimated Volume 0 (10) Previous day's open Int. 289 (284) OUND-S UTUREIEN EXCRANCED DAN-STERLING Se per E

Consolidated unaudited results for the half year ended 30 July 1988

Sales and profit

Sales rose by £45m (+11%) in the department store division and by £50m (+13%) in Waitrose. Profits moved ahead at a faster rate than sales and for the first time topped £50m before tax in the first half of the year

Profit sharing

Allocation between retentions and profit sharing is determined when the results for the full year are known. Preference dividends for the half year were £109,000 (£109,000).

For further details of the results and/or the John Lewis Partnership please telephone 01-637 3434 Ext 6221.

US Treasury bond prices 4.60 11 20 B) showed a small improvement, helped by an unexpected decline in US retail sales in August. However the extent of the rise was restricted by selling at the higher levels, and after touching a peak of 89-02, the December contract finished FI 225 FI 230 FI 235 FI 245 FI 210 FI 225 FI 230 FI 235 FI 240 FI 245 68 207 98 51 123 44 109 62 33 30 7.70 3.50 0.90 2.20 3.90 5.40 8.30 at 88-21, still up from 88-15 at the opening, and Wednesday's close of 88-19. 3.10 8 80 TOTAL VOLUME IN CONTRACTS: 34,147 8-8id C-Call **BASE LENDING RATES** ABA Bank

Adam & Company

ABA - Allied Arab Bk

Allied Irish Bank

Henry Ansbacker

ARZ Banking Group

Associates Cap Corp

Asthorite Bank Clydesdale Bank Comm. Bt. N. East Morthern Bank Ltd Norwich Geo, Trost PRIVATbanker Limited . Provincial Bank PLC R. Rachael & Sons Roxburghe G rantee Royal Bk of Scotland Royal Trust Bank

Smith & Willowsh Sers. Standard Chartered Bank of Cypres ... Bank of Ireland ... Bank of India ● Guinness Mahon ____

Midland Bank
Mount Bokg Corp.
Nat Bk. of Kowait

Banking & Securities Houses Association, * 7 day deposits 4.38% Savewise 7.16% Top Tier-EID,000-instant access 9.0% & Mortgage base rate_§ Demand deposit 7%, Mortgage 11.375% - 11.75%

C. Hoare & Co.

EUROPEAN OPTIONS EXCHANGE

92.77 92.78 92.85 92.65 92.65 92.46

John Lewis Partnership plc

Central Capital _____ Charterhouse Bank ___

Department stores and Waitrose supermarkets

1988 £m	1987 £m	% change
893.2	798.2	+12
62.1	53.8	+15
3.2 8.0	2.4 7.1	+34 +13
50.9	44.3	+15
	£m 893.2 62.1 3.2 8.0	£m £m 893.2 798.2 62.1 53.8 3.2 2.4 8.0 7.1

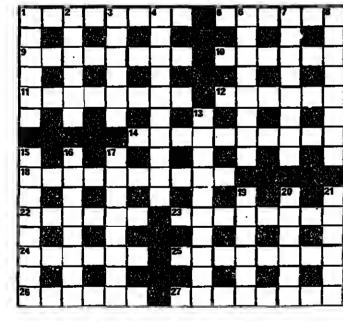
FT UNIT TRUST INFORMATION SERVICE

AUTHORISED	Jait Cane, Bld Offer + or Yield Chrys Price Price Price - Gr'S
UNIT TRUSTS	Asset Unit Trust Mingri Ltd 10900)F Printo Hie, Feechard St. Louisn EC3 01-220.7231 Growth Sent 9
CHILL INCOIO	
Abbey Unit Tst Mages 11000)H	Ballife Gifford & Co Ltd (1430M) Jennis St. Edubordh Janus Eapt Sen 14 2515-3 513-3
High Tecome of 45 97 44 45m 47 2814 585 00 GHts & Fixed int	8G America . 9120 4 120 4 128.0 +0 2 0 60 8G 7-chaology 5184.7 104.7 196.4 -0.5 - 8G Exercy 5207.4 207.4 220.6 +3 41.58
Workshide Bond 6092 70 192 70 204 301-0 184 75 Capital Growth 6154 00 155 00 155 90 -2-910 93	86 Income Gwith 5 236.7 240.44 255.7 +0.25 46 86 Europe 59939 9939 100 7 +1 11 73 86 Conv & Gen 592.15 63 87m 67 94 40 to 7 88 86 British Gwith 5 38 02 38 02 44 44 -0.0510.71
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On Account 50.77 145 70 154 80 4 1011 00 Cits 8, Flaced Int. 5 \ 22 13 22 15 d 23 57 00 04 16 13 Global Income 5 4 35 00 35 02 37 26 0 16 5 18	Do Growth Acc
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AEtna Unit Trusts Ltd (1600)F AEtna House, 2-12 Pentomille Road, London, N.1 9XG 0800 181766	Brain Film 22384 2388 250.11-220.58 Baring Fund Managers 1.td (1.200 M) PO Box 156, Bectentum, Ked Br3 470 01-658 9002 America EVS 350.5 79 79 79 20 20 40 12 70 12 80 10 40 12 70 12 8
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Account Units)\$235.2 235.2 251.5 +1 510.00 Fin & Property\$72.93 76 04 80 55 -0 012.63 Account Units)\$118.9 124.0 131.4 -0.012.63	Eguity Income 964 84 64,84 60.67 (0.3. 5.3 Europe 9119 6 120 9 128,31-04 9 0 0 Europe 154 83 55 43 56.57 (2) 3 1 (5) (0.3 1) (0.3
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Allchurches Inv Mgmit Servs Ltd (1200)H 19/21 81liter Street, Landon ECSM 2RY 0.1-528/7364 Amils locome 551.08 51.794 54.94-40 091265 Amily Accure 951.73 52 444 59 61 03/03/03	Progressive Acc
Anisy Access 951.73 52 444 55 631-01815 85 Aliled Oursbar Unit Tsts PLC (1600)F	Bishopsgatis Progressive Mgmt Cc (1200)F 15 St James Piace, London SWIA 18W 01-4958111 Progression Ecc. 55(15.3) 5 (15.5) 4 4-55 - 26.6 Progression Acc. 55(15.3) 6 (15.8) 23 09 Retransitional Inc. 55(16.0) 6 (16.0) 16.89 Retransitional Inc. 55(16.0) 16 (16.0) 16.89 Retransitional Acc. 55(20.16.17) 16 12.28 Retransitional Acc. 55(20.16.17) 16 12.29 Retransitional A
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Anthony Wieler Unit Tst Marrot Ltd (1000) F 19 Writegate St, London ET 7HP 01-377 1010 Greeth Income	Fellowship 15,
Osarierir Income	Beschmäster Manigorit Ca Ltd (1200)M The Slock Exchange, Lundon ECZP 237 01-588 2868 Emerging Genta - 5 57.79 59.28 6.2 92 0.1811,70 Emerging Genta - 5 57.79 59.28 6.2 92 0.1811,70 Felloschip Tst - 55 50 00 59 65-163.28 0.20 1.93 Coccan Unitst - 55 50.13 60.7916 49 0.191,73 General Inc - 55 51.2 251.2 25.5 6 72.13.17 General Inc - 55 51.5 415.0 418.9 4-9 0.131,73 Income - 15 51.0 415.0 418.9 4-9 0.131,73 Income - 15 51.0 415.0 418.9 4-9 0.131,73 General Inc - 55 50.7 50.7 50.7 10.7 74.11,180 General Inc - 55 50.7 50.7 50.7 10.7 74.11,180 General Unitst - 55 50.7 50.7 50.7 10.7 74.11,180 General Unitst - 55 50.7 50.7 50.7 10.7 74.11,180 General Unitst - 55 50.7 50.7 50.7 10.7 74.11,180 General Unitst - 55 50.7 50.7 50.7 10.7 74.11,180 General Unitst - 55 50.7 50.7 50.7 10.7 74.11,180 General Unitst - 55 50.7 50.7 50.7 50.7 10.7 74.11,180 General Unitst - 55 50.7 50.7 50.7 50.7 10.7 74.11,180 General Unitst - 55 50.7 50.7 50.7 50.7 10.7 74.11,180 General Unitst - 55 50.7 50.7 50.7 50.7 50.7 50.7 50.7 5
- 1 Klag Sa, Manchester MOO 3AN 061-B320242 Growth Sept 13 590.59 90.59 96.37 22.41 Income Sept 13 544 99 44.99 47.87 5.14	Smaller Co's
I.G INDEX LTD, 9-11 GROSVENOR	GARDENS, LONDON SW1W OBD
FT 30 FTSE	GARDENS, LONDON SW1W OBD code: IGIN, IGIO WALL STREET 1765 -5 Sep. 2093/2105 +3
Sep. 1410/1419 -2 Sep. 1755/ Dec. 1425/1434 -2 Dec. 1774/	1765 -5 Sep. 2093/2105 +3 1784 -5 Dec. 2107/2119 -1

Prices taken at 5pm and change is from previous close at 9pm

CROSSWORD

No. 6,735 Set by GRIFFIN



- ACROSS
 1 Overlooking insolence during trip to Gateshead (8)
 5 First Christmas present box
- 9 Home with Heather, snuggl-
- ing close (6)

 10 Hotel in group backing court activity? (6)
- 11 Inscriptions of mine in an unusual shape (8)
 12 Weak company after National Insurance returns
- 14 For a pound got back num-ber with everything included (10)
- 18 Colin acted as a westerner (10) 22 Criticise attempt by food
- store (6)
 23 To cover retirement get in shape, working hard (8)
 24 Skinhead with pen goes to first enquiry clerk (6)
 25 Region 1'd back without execution (8)

- exception (8)
 26 Writer missing point about love for disorderly person
- 27 Where Ray hires transport DOMN
- 1 Possibly resign as an enter-tainer (6) 2 When home it's up to the
- student to drop in (6)
 3 Supporter left during April
 revolution (6)

- 4 After mid-morning poor Hal cannot get cool (10) 6 Love to look slyly round and

UNITEDRA SELPAGE
PANS I E N C N
READE LEVITATED
I C L K E A E O
GLADIATOR NADIS
HANDE E G
TITUS EPAULETTE
BURNISHED SOUAT
A L E O H
REBEL HORSESHOE
O L L O W V W R
GUASIMODO AROMA
UNASIMODO AROMA
GUASIMODO AROMA

6 Love to look slyly round and get plant (8)
7 Escape article dropped in windsw (8)
6 She wants a pink hawthorn sutside the back door (8)
13 Distinguished person, not with talent (10)
15 One writing notes in bars (8)
16 Score in a rough outline of the film (8)
17 Including a lady talented and charming (8)
19 You say it has moved outside the opening? (6)
20 Stars an American soldier hiding exploded mine (6)
21 Express union leader's entry as a figure (6)

Exeter Fund Managers Ltd (1400)F 23 Categoral Yard, Exper Ext. LHS D392 4 2214 Foot in 173 20 18 77 19 97 Hd 022 90 High access 5 44 45 47 47 77 50.82 - 0918.90 FMS Investment Magazit Ltd (0905)F 31 Sua Street London FC2 M20P 0708 45322 MLS inc Ptolin - 274 59 79 59st 76 50 00 217 19 MLS Gmb Pfolin - 369 98 67 98 71.7719 421.04

Crusader Unit Tst Higrs Ltd (1000)H Brigate Soute RH2881 07373

Oimenstonal Tst Mangort Ltd (0905)F 1 Abernarie St, London W1X 3HF 10 01-499 5733 Japan Small Co : . . . 0005, 18 945 18 943 39 45,77 — UK Small Co : 01245 5 1244 5 1243 2 | 2071 —

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| Receiver | Trial | Section | Total | Section |

Granville Unit Tst Magnet Ltd (1700)F 8 Local Lane, London ECS 807 01-621 1232 Castral 608 703 74.01 1236 Small Gran 124 608 703 74.01 12.06

| Constitut | Cons

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Security Sec

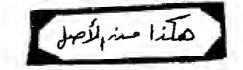
GUIDE TO UNIT TRUST PRICING

Schriftish Prevident Inv Mgt Ltd (1000)
Schriftish Prevident Inv Mgt Ltd (1000)
St Audrew St, Edinburgh EM2 274 031-358 234/273
Getts Growth Acc. ... (36.59 18.80 17.90 -0.08 57
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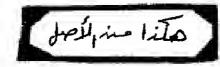


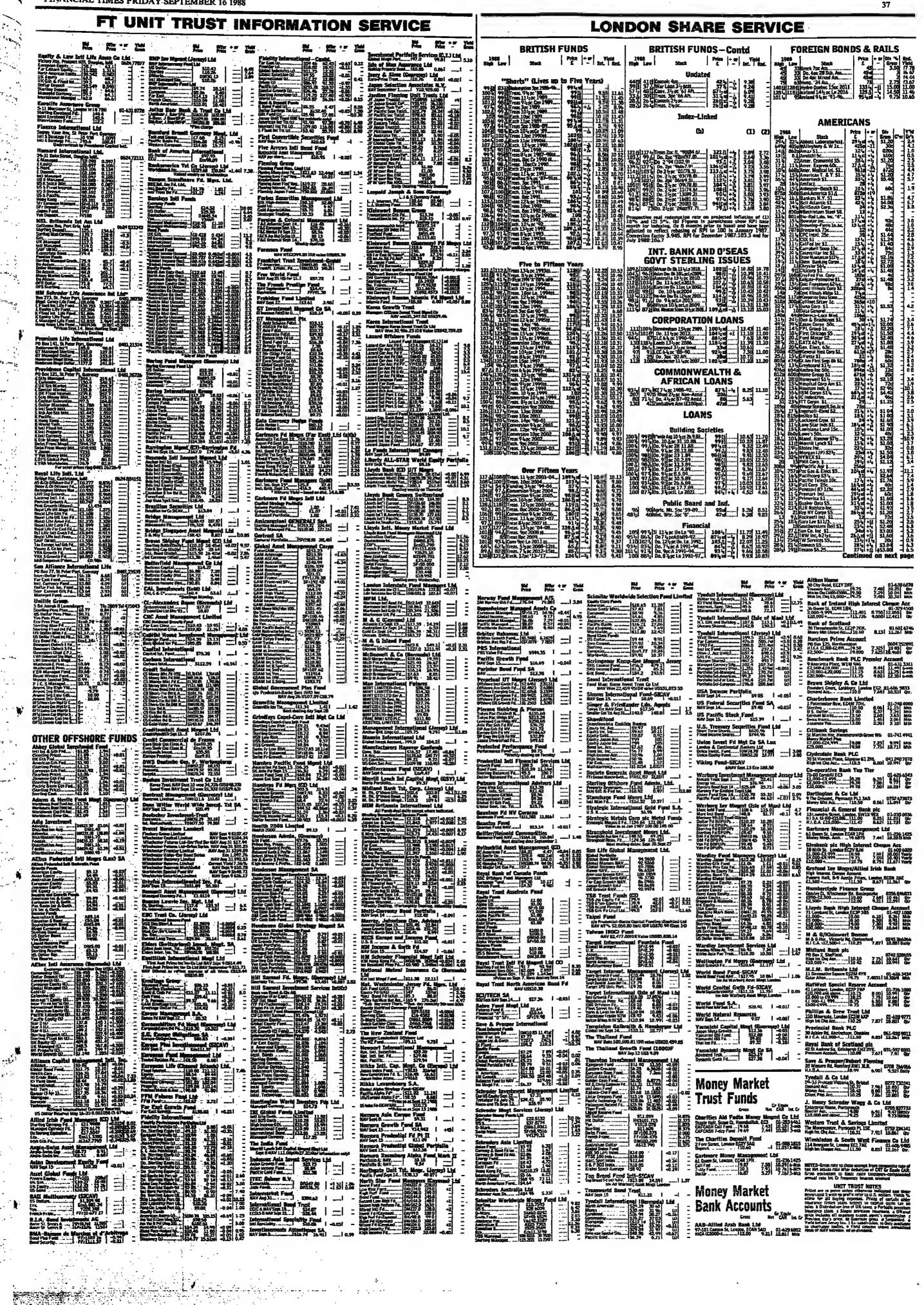
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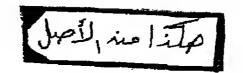
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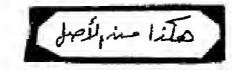


LONDON SHARE SERVICE

AMERICANS—Contd BUILDING, TIMBER, ROADS -	ELECTRICALS	ENGINEERING—Contd	INDUSTRIALS (Miscel.) - Contd	INDUSTRIALS (Miscel.) - Contd.
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LONDON SHARE SERVICE LEISURE-Contd TRUSTS, FINANCE, LAND-Contd PROPERTY TEXTILES—Contd PMes - By Cyne PE - Val PE - V OIL AND GAS -- Contd MINES—Contd 1988 | Lev | Stack | 1988 | Lev | Stack | 165 | 149SPRAIT 50p. | V | 111 | 95 Do. Warrants | 128 | 130 Do. Cam Pig Pre | 224 | 171Schroder Glossi | 93 | 791 | Soot Ant. lew | 128 | 113 | 105 Cettsh in | 24 | 15 Do. Warrants | 24 | 15 Do. Warrants | 25 | 113 | 105 Cettsh in | 26 | 15 | 10 Cap | 27 | 107 | 10 Cap | 27 | 107 | 10 Cap | 28 | 10 Cap | 29 | 113 | 106 | Do Stepped Pri | 204 | 98 | Do Zap | 205 | 206 | Warrants | 213 | 45 Do Warrants | 214 | 45 Do Warrants | 215 | 45 Do Warrants | 216 | 45 Do Warrants | 217 | 45 Do Warrants | 218 | 45 Do Warrants | 219 | 45 Do Warrants | 210 | 45 Do Warrants | 211 | 45 Do Warrants | 211 | 45 Do Warrants | 212 | 45 Do Warrants | 213 | 45 Do Warrants | 214 | 45 Do Warrants | 215 | 45 Do Warrants | 216 | 45 Do Warrants | 217 | 45 Do Warrants | 218 | 45 Do Warrants | 219 | 45 Do Warrants | 219 | 45 Do Warrants | 210 | 45 Do Warrants | 211 | 45 Do Warrants | 212 | 45 Do Warrants | 213 | 45 Do Warrants | 214 | 45 Do Warrants | 215 | 45 Do Warrants | 216 | 45 Do Warrants | 217 | 45 Do Warrants | 218 | 45 Do Warrants | 218 | 45 Do Warrants | 219 | 45 Do Warrants | 210 | 45 Do Warrants | 210 | 45 Do Warrants | 211 | 45 Do Warrants | 212 | 45 Do Warrants | 213 | 45 Do Warrants | 214 | 45 Do Warrants | 215 | 45 Do Warrants | 216 | 45 Do Warrants | 217 | 45 Do Warrants | 218 | 45 Do Warrants | 218 | 45 Do Warrants | 219 | 45 Do Warrants | 210 | 45 Do Warrants | 211 | 45 Do Warrants | 212 | 45 Do Warrants | 213 | 45 Do Warrants | 214 | 45 Do Warrants | 215 | 45 Do Warrants | 216 | 45 Do Warrants | 217 | 45 Do Warrants | 218 | 45 Do Warrant Price - ar Bb Ret 275 -5 1045c 16 -31 -2 5 -12 440 5c 84 -2 440 5c 971 -4 011d16 PAPER PRINTING. 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APPERENT APPERENT APPERE | Price | Pric Tack 1- Pas Pacific Pet 28-Peton Oll 47-Petrocon 12-1-0 8-1-Petrocon 12-1-0 8-1-1-1-0 8-1-1-1-0 1-1-0 1 223-5 Do Cap. 106-5 Do Steped Prf. 106-5 Do Steped Prf. 198-5 Do Zaro Div Prf. 5-4-5 Do Warnards. 28-35-6 Annual Market Inn 50py 28-35-6 Annual Market I 45 42 010 14 41 97 43 010 14 41 49 150 135 42 15 110 070 417.6 120 120 100 4.5 481 399847 ind. d 4481 +1 716 9 2 6 5 2 0.0 159619940, 124012 999 409 2 102, 424 1112 9 447 3658000mass 12 99 0 418 -1 10.0 3.7 3.3 9.3 Miscellaneous OVERSEAS TRADERS TRUSTS, FINANCE, LAND 1968 | Sheek Price | + or Sir | Y'ld 229 -2 221412 +2 124 +1 THIRD MARKET **PLANTATIONS** Frice | Se | Net | C = G-1 | P/E | Se | 15 | 14 | 14 | 1 | 11.25 | 42 | 1.9 | 16.3 | 198 | +1 | 11.25 | 42 | 1.9 | 16.3 | 198 | +1 | 12.5 | 42 | 1.9 | 16.3 | 198 | +1 | 10.71 | 1.2 | 13.9 | 198 | -1 | 10.71 | 1.2 | 13.9 | 198 | -2 | 1.0 | 7.1 | 1.2 | 13.9 | 147 | -3 | 1.5 | 4 | 4 | 4 | 15 | -1 | 1.5 | 4 | 4 | 4 | 15 | -1 | 1.5 | 4 | 4 | 15 | -1 | 1.5 | 4 | 4 | 15 | -1 | 1.5 | 4 | 16 | -1 | 1.5 | 4 | 17 | -1 | 4 | 1.5 | 4 | 18 | -1 | 4 | 1.5 | 198 | -1 | 1.5 | 198 | -1 | 1.5 | 198 | -1 | 1.5 | 198 | -1 | 1.5 | 198 | -1 | 1.5 | 198 | -1 | 1.5 | 198 | -1 | 1.5 | 198 | -1 | 1.5 | 198 | -1 | 1.5 | 198 | -1 | 1.5 | 198 | -1 | 1.5 | 198 | -1 | 1.5 | 198 | -1 | 1.5 | 198 | -1 | 1.5 | 198 | -1 | 1.5 | 198 | -1 | 1.5 | 198 | -1 | 1.5 | 198 | -1 | 1.5 | 198 | -1 | 1.5 | 198 | -1 | 1.5 | 198 | -1 | 1.5 | 198 | -1 | 1.5 | 198 | -1 | 1.5 | 198 | -1 | 1.5 | 198 | -1 | 1.5 | 198 | -1 | 1.5 | 198 | -1 | 1.5 | 198 | -1 | 1.5 | 198 | -1 | 1.5 | 198 | -1 | 1.5 | 198 | -1 | 1.5 | 198 | -1 | 1.5 | 198 | -1 | 1.5 | 198 | -1 | 1.5 | 198 | -1 | 1.5 | 198 | -1 | 1.5 | 198 | -1 | 1.5 | 198 | -1 | 1.5 | 198 | -1 | 1.5 | 198 | -1 | 1.5 | 198 | -1 | 1.5 | 198 | -1 | 1.5 | 198 | -1 | 1.5 | 198 | -1 | 1.5 | 198 | -1 | 1.5 | 198 | -1 | 1.5 | 198 | -1 | 1.5 | 198 | -1 | 1.5 | 198 | -1 | 1.5 | 198 | -1 | 1.5 | 198 | -1 | 1.5 | 198 | -1 | 1.5 | 198 | -1 | 1.5 | 198 | -1 | 1.5 | 198 | -1 | 1.5 | 198 | -1 | 1.5 | 198 | -1 | 1.5 | 198 | -1 | 1.5 | 198 | -1 | 1.5 | 198 | -1 | 1.5 | 198 | -1 | 1.5 | 198 | -1 | 1.5 | 198 | -1 | 1.5 | 198 | -1 | 1.5 | 198 | -1 | 1.5 | 198 | -1 | 1.5 | 198 | -1 | 1.5 | 198 | -1 | 1.5 | 198 | -1 | 1.5 | 198 | -1 | 1.5 | 198 | -1 | 1.5 | 198 | -1 | 1.5 | 198 | -1 | 1.5 | 198 | -1 | 1.5 | 198 | -1 | 1.5 | 198 | -1 | 1.5 | 198 | -1 | 1.5 | 198 | -1 | 1.5 | 198 | -1 | 1.5 | 198 | -1 | 1.5 | 198 | -1 | 1.5 | 198 | -1 | 1.5 | 198 | -1 | 1.5 | 198 | -1 | 1.5 | 198 | -1 | 1.5 | 198 | -1 | 1.5 | 198 | -1 | 1.5 | 198 | -1 | 1.5 | 198 | -1 | 1.5 | 198 | -1 | 1.5 | 198 | -1 | 1.5 | 198 | -1 | 1.5 | 198 | -1 | 1.5 | 198 | -1 | 1.5 | 1 Price |+ or | Dir | Y'M Rubbers, Paim Oil 55/Auglo-East Plants. v 75/Bertam 10p. 42 42 40 45/Grant Central 10p. 48 50.8 1.4 2.2 77/bartsox 11p. 78 51 10p. 48 50.8 1.4 2.2 77/bartsox 11p. 78 51 10p. 54/Busia Kepong MSL 87cf -2 1015c 0.6 3.9 30.8 1.4 2.2 54/Busia Kepong MSL 87cf -2 1015c 0.6 3.9 30.8 1.4 2.8 55/Busia Kepong MSL 87cf -2 1015c 0.6 3.9 56/Busia Kepong MSL 87cf -2 1015c 0.6 3.9 56/Busia Kepong MSL 87cf -2 1015c 0.6 3.9 56/Busia Kepong MSL 87cf -2 1015c 0.6 3.9 15/Busia Kepong MSL 87cf -2 1015c 0.6 3 NANA WASA 855 Assam Doors 51 511 10.0 3.7 - 11.0 20.0 2.7 3.6 1000110 20.0 2.7 3.6 1000110 20.0 2.7 3.6 1000110 20.0 2.7 3.6 Eastern Mod tein Sc. 20 Jan Dagga PJ. 31 Jan Dagga PJ. 32 Jan Dagga PJ. 33 Jan Dagga PJ. 34 Jan Dagga PJ. 35 Jan Dagga PJ. 36 Jan Dagga PJ. 37 Jan Dagga PJ. 38 Jan 51 +1 4065c 1.2 ± 38 ... 9253,320.643,1 156 -13 976c -8.7 500 ... 0310c 48.3 212 +1 0115c 1.913c 2.9 976c 1.2 ± 44 -4 1266c 1.2 ± 44 -4 1266c 1.2 ± 45 ... 056c 1.2 ± 45 ... 0 Far West Rand Service (1997) OF Service (1997) DEFINITION DEFINIT | 193 | 186 | 193 | 193 | 1 | 193 | 1 | 194 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 | 1 | 195 |

LONDON TRADED OPTIONS

FT-ACTUARIES SHARE INDICES

se Indices are the joint compilation of the Financial Times

	EQUITY GROUPS	Т	Thursday September 15 1988 Sep						Tue Sep 13	Mon Sep 12	Yea ago (appn
	& SUB-SECTIONS			Est	Gross	Est.					-
Fi	gures in parentheses show number of stocks per section	hedex No.	Day's Change %	Earnings Yield % (Maz.)	Div. Yield% (Act at (25%)	P/E Ratio (Net)	xd adj. 1968 to date	Index No.	hedex No.	Index No.	Inde No.
1	CAPITAL 6000S (210)	763.09	+8.3	18.95	4.28	11.29	17.69	768.59	759.06	755.33	968.
2		950.41	-0.6	12.35	4.55	9.98	21.96	956.40	953.74		1187.
3	Building Materials (29) Contracting, Construction (37)	1518.81	-0.3	11.34	3.68	11.50	29.01	1523.50	1521.28		
	Flectricals (12)	2882 84	+0.4	9.66	4.93	12.66	53.78		2872.36	2069.11 1635.51	
5	Electronics (26)	11671.42	+0.5	10.66	3.72	12.07	48.42 9.39	1662.59 397.49	1656-85 399.68	398.59	
8	Mechanical Engineering (58)	377.73	+0.1	18.43 19.40	4.43 4.17	11.89 11.79	7.95	468.86	461.95	468.24	
9	Motors (16)		+0.4	12.33	4.99	9.36	7.95	263.64	263.75	262.44	
á	Other Industrial Materials (23)	1783.62	+1.8	9.92	4.51	11.88	38.04		1248.33	1244.82	
ĭĭ	CONSUMER	11032.90	-6.1	9.67	3.87	15.06	19.52	1033.83	1627.91	1023.49	1337
2	Brewers and Distillers (21)	1072.64	+8.5	11.81	3.80	11.46	29.86	1866.91	1061.63		
25	Food Manufacturing (21)	932.23	+0.5	9.48	4.05	13,40	17.99	927.55	913.54	908.67	
6	Food Retailing (16)	1835.12	-0.6	9.43	3.64	14.80	38.49			1849.18	
7	Health and Household (12) Leisure (30)	1804.20	-0.5	6.95	2.73	16.68	18.01	1814.24	1888.29		
9	Lelsure (30)	1389.81	+1.1	9.41	5.91	13.63 12.12	29.54 16.47	1295.19 492.52	1284.86 494.64	490.25	671
12	Packaging & Paper (17) Publishing & Printing (18)	474.24 2300 57	+6.3	30.59 3.96	4.63	13.93		3369.81	3286.42	3273.59	
Ž	Stores (34)	יכ.סטלכן	-1.3	11.27	4.49	13.73	15.59	749.63	742.20	737.36	
2	Terrelles (14)	220 74	100	12.82	5.08	9.15	12.69	534.68	535.31	536.37	
2	OTHER GROUPS (93)	366.94	12.0	11.56	4,61	10.55	20.21	866.27	863.37	858.09	
ũ	Agencies (19)	1018.17	+8.3	8.90	2.75	14.20	18.11	1015.03	1011.96	1009.64	
2	Chemicals (21)	1036.87		12.33	4.91	9.73	35.79	1037.01	1032.22	1025.27	
15	OTHER GROUPS (93) Agencies (19) Chemicals (21) Conglomerates (13) Shipping and Transport (12) Telephone Networks (2)	1180.54	+8.7	19.84	4.59	10.65	24.52	1179.75		1172.33	
15	Shipping and Transport (12)	1816.61	+9.4	11.95	5.08	11.06	35.65	1868.81	1809.55	1889.89	
17	Telephone Networks (2)	925.41	-0.1	12.00	4.81	10.81	29.38	926.40	922.27	915.45	
ю	WISCELLANGOUS (20) ************************************	1172.43	+0-2	11.91	4.54	9.65	24.75	1199.11		1173.19	
	INDUSTRIAL GROUP (488)	929.85	+0.1	19.54	4.18	11.79	19.77	929.22	925.43	920.84	
1	OII & Gas (12)	1780.44	+1.8	18.62	6.08	12.06	64.62			1693.19	_
9	588 SHARE INDEX (580)	1001.80	+0.3	10.53	4.45	11.83	23.54	998.6I	993.91	986.43	
1	FINANCIAL GROUP (122)	665.50	-0.2	-	5.29	- 1	21.00	666.51	665.38	662.75	846
,2	Banks (8)	643.53	+0.1	22.24	6.78	6.03	30.77	642.64	638.24	636.89	828.
5	Insurance (Life) (8)	1401.30	+0.2	- }	5.26	- }	26.91 18.42	999.26	1006.22	999.59	
6	Insurance (Composite) (7)	513.10	-0.2	20.51	6.09	12.32	32.03	514.24 914.53	518.36 918.99	516.42 914.85	
4	Insurance (8rokers) (7) Merchant Banks (11)	325.57	-0.2 +1.0	10.51	4.40	72.	7.09	322.67	319.48	318.88	493
S	Property (51)	72.00 TOEL 72	-0.9	5.73	2.79	22.37	16.08				1316
ó	Other Financial (30)	353.54	-8.2	10.79	5.53	11.64	18.24	354.26	353.12	352.76	567
	Investment Trusts (78)		+0.3	-	3.16	- 1	14.93	892.16	288.17		1168
	Mining Finance (2)		+8.2	11.47	3.78	9.65	8.12	525.09	521.11	509.51	763.
ī	Overseas Traders (8)	1168.65	-0.2	10.22	4.70	11.43	35.31	1171.02	1173.28	1178.05	1240
	ALL-SHARE INDEX (710)	936.63	+8.2	-	4.53	- 1	22.40	914.46	910.61	904.40	1176
7		Index	Day's	Day's	Day's	Sep	Sep	Sep	Sep	Sep	Yes
-1		No.	Charge	High	LOW	14	13(12	9	8	490

_	FT-SE 100 SHA	re inde	X #	J 17	69.31	+4.2 17	775.8 1767.5 1765.1 1756.3 1744.6 1738.4 1739.8 2304.
	FIXED INTEREST					AVERAGE GROSS REDEMPTION YIELDS Thu Wed Year ago 15 14 approx	
	PRICE INDICES	Thu Sep 15	Day's change %	Wed Sep 14	xd adj. <i>tođay</i>	xd adj. 1988 to date	1 1 10w 5 years 10.01 9.97 9.55 2 Coupoes 15 years 9.65 9.62 9.77
1	British Government 5 years		-0.06	118.92	-	8.55	3
2 3	5-15 years Over 15 years			134.71 144.10	_	9.42 10.59	7 High 5 years
4 _ 5	Irredeemables All stocks ,			164.69 132.05	=	8.84 9.33	9 25 years
		127.03	+0.44	126,47	_	1.81	
_	Over 5 years All stocks	120.27		119.87 120.24	•	2,65 2,57	13 Inflation rate 10% 5 yrs. 2.20 2.37 3.37 14 Inflation rate 10% Over 5 yrs. 3.74 3.76 3.99
_	Debentures & Loans			115.57	_	7.37	7 17 25 ware 17 17 27 77 77 47
10	Preference	89.76	-0.10	89.93	-	3.74	18 Preference 10.11 10.09 10.80

#Opening Index 1767.5; 10 am 1775.7; 11 am 1773.5; Noon 1770.6; 1 pm 1771.8; 2 pm 1771.8; 3 pm 1770.5; 3.30 pm 1770.0; 4 pm 1767.9
† Flat yield, Highs and lows record, base dates, values and constituent changes are published in Saturday Issues. A new list of constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London EC4P 4BY, price 15p, by post 32p.

RISES AND FALLS YESTERDAY Falls 73 18 276 112 13 29 32 20 442 171 43 74 134 1,563

Description P.P. P.P.		LONDON RECENT ISSUES											
Sect Color Sect Sect	EQU	ITIE	5										
\$40 F.P. 41 39 Excutor Dual in: \(\text{Tst} \) .	tesse: Price	Paid	Rose C.		-	Steck	Dicplay Price			Times Corvi	Gree Yield	P.E. Rath	
	:	P. P. P. P. P. P. P.		4853855	************	Extraor Dead law Tst. Do Jacome 2000 Bastional Telecone 5p Hitelect. Stop 5p Hitelec	協力 第四年 第四年 第四年 第四年 第四年 第四年 第四年 第四年 第四年 第四年				갩	13.8 13.0 13.4	

	Amount. Paid	Latest Resusc	19	200	Stock	Clasing Price	+0	
٤	100	Dete	High	Low	1	£	1 -	
100 100p	F.P.	::	99½ 969 1159 1029 1069	993 ₂ 939 1109	A.C. Hidgs, 11% Cr. Un. Lo. 1994/98 Alexin Group 6.25p Cr. Rd. Pf. 10p HGLP Group 8p Cr Rd Pf 10p	991 ₂ 939 111 ₂ 1011 ₂ 9	.3	
100p 101.09 100p	5 P		103a	1009 91p 1009 993 ₂ p	Brent Chemicals Im. 9pc Cor Rd Pf Danes Estates 7, 75pc Chr Cor Rd Prf Dowty Grp Tpc Cr. Cm. Rd. Pf Exmoor Dual Im. Tst. Zero Co Prf	1011-20 1030 1000	按	
\$100p 100p \$101.2 \$100.9	FP.	9/9	100p 1001p 1011p 1000p	95p 99p	EKunick 7p (Net) Cv. Cm. Rt. Pf. Sp Los & Edio To 83 1st Cm Rt Pf 2013 McCarthy & Score 8, 75oc Rt. Pf. 2003	979 9919 9919	2	
-			100 100	981	00. 112 oc 18 9.89 00. 12 oc 18 9.89	90.5		
100s 100s \$100p	F P.	29/9	120p 104p 96p	999 980 949	Pleasurama 7.75pc Cr Cm Rd P7 Tamaris 8½pc Cr Rd. Pf. 2003 York Trest Grp. Rd. Cm. Cr. Pf. 20p	104s 100s 95p	***	

	RIGHTS OFFERS										
issue Price	Amount. Paid	Latest. Remoc	19	X68 .	Street	Closing Price	+				
P	中	Date	High	Low		,	١.				
110 80 155 40 50 155 100 70 70 70 70 70 70 70 70 70 70 70 70 7	8 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5	14/10 22/9 26/9 26/10 12/10 5/10 28/10 28/10 14/10 19/9	6pm 31-pm 19pm 6pm 102pm 4pm 200pm 4pm 200pm 4pm 13pm 50pm 4pm 17pm 20pm	Jon Japa Ligan Ligan Ligan Japan Ligan Japan Ja Japan Japan Japan Japan Japan Japan Japan Japan Japan Japan Japan Ja Ja Ja Ja Ja Ja Ja Ja Ja Ja Ja Ja Ja	Artey Hildss. Acties Industrial Trust 5p Blagden Industrial Trust 5p Blagden Industries Chemes Intl. 5p BF 6.4 il Group 10p FF 6.5 il Group 10p FF	3pm 17pm 17pm 21ppm 20pm 10pm 200pm 200pm 200pm 10pm 30pm 10pm 30pm 1ppm 10pm 30pm	777				

TRADITIONAL OPTIONS

First Dealings

Stocks dealt in for the call included Sears, Oliver Resou

British Petroleum partly-paid Owners Abroad, Low and Bona Marinex, Standard Chartered H. Young and Cadbury Schweppes. No puts were reported, but double options were arranged in Oliver Resources and

20 24 30 63 45 30 10 24 45

72.

KUMAGAI GUMI CO., LTD. ALTA BERKELEY ASSOCIATES LONDON . BOSTON . SAN FRANCISCO

During the past quarter, Alta Berkeley Associates, a leader in the growing trend of pan European venture capital investing, initiated the following transactions on behalf of its portfolio companies. The affiliated venture capital funds of Alta Berkeley Associates are substantial investors in all the companies.

MEDITEC GmbH

West German manufacturer of medical lasers has been acquired by

AESCULAP-WERKE AG Financial advisor to

Meditec GmbH **SHEARSON LEHMAN** HUTTON

C& FHOLDING B.V. has acquired the operating subsidiaries of CENTRAFARM GROUP N.V. Dutch pharmaceutical company for \$112,000,000 Acquisition finance provided by THE BANK OF NOVA SCOTIA

TT

Fairness Opinion SALOMON BROTHERS INC. Authorized Representative ALEX. BROWN & SONS, INC.

TEMTECH LIMITED

Northern Ireland manufacturer of acquired by

INNOGENETICS N.V.

Belgian biotechnology company has entered into a collaborative research agreement with

KANEKA BELGIUM . and KANEGAFUCHI CHFMICAL INDUSTRY CO. Japan

Alta Berkeley Associates Limited is a member of IMRO.

NOTICE 1 To the Holders of **FUJI HEAVY INDUSTRIES LTD.**

U.S. \$50,000,000 3% Convertible Bonds 2000 NOTICE OF FREE DISTRIBUTION OF SHARES

and Adjustment of Conversion Price

Pursuant to Clause 7 of the Trust Deed dated 5th August, 1985 nuder which we issued U.S. \$50,000,000 3% Convertible Bonds 2000 (the "Trust Deed"), you are hereby notified that a free distribution of Shares of our Company at the rate of 0.02 Share for every 1 Share held will be made to the Shareholders of record as of 30th September, 1988 (Japan Time).

As a result of such distribution, the Conversion Price at which Shares are issuable upon conversion of said Bonds will be adjusted pursuant to Clause 7 of the Trust Deed, from 676.0 Japanese Yen (the Conversion Price currently in effect) to 662.70 Japanese Yen for Bonds converted after 30th September, 1988.

FUJI HEAVY INDUSTRIES LTD. Dated: September 16, 1988

NOTICE 2

To the Holders of WARRANTS

FUJI HEAVY INDUSTRIES LTD.

issued in connection with its U.S. \$200,000,000 31/2 Guaranteed Notes due 1993 with Warrants

NOTICE OF FREE DISTRIBUTION OF SHARES

AND
ADJUSTMENT OF SUBSCRIPTION PRICE Pursuant to Clause 4 of the Instrument dated 24th June, 1986, under which we issued U.S. \$200,000,000 3½% Guaranteed Notes due 1993 with Warrants (the "Instrument"), you are herehy notified that a free distribution of Shares (as defined in the Instrument) of our Company at the rate of 0.02 Share for every 1 Share held will be made to the Shareholders of record as of 30th September, 1988 IJanan Time).

will be made to the Shareholders of record as of 30th September, 1988 [Japan Time].

As a result of such distribution, the Subscription Price at which Shares are issuable upon exercise of said Warrants will be adjusted pursuant to Clause 3 of the Instrument from 554.0 Japanese Yen (the Subscription Price currently in effect) to 543.10 Japanese Yen for Warrants exercised after 30th September, 1988.

FUJI HEAVY INDUSTRIES LTD. Dated: September 16, 1988

> **NOTICE 3** To the Holders of

FUJI HEAVY INDUSTRIES LTD.

WARRANTS

issued in connection with its U.S. \$150,000.000 4%% Notes due 1993 with Warrants NOTICE OF FREE DISTRIBUTION OF SHARES

ADJUSTMENT OF BUBSCRIPTION PRICE Pursuant to Clause 4 of the Instrument dated 31st March, 1988, under which we issued U.S. \$150,000,000 4%% Notes due 1993 with Warrants (the "Instrument") you are hereby notified that a free distribution of Shares (as defined in the Instrument) of our Company at the rate of 0.02 Share for every 1 Share held will be made to the Shareholders of record as of 30th September, 1988 (Japan Time). As e result of such distribution, the Subscription Price at which Shares are issuable upon exercise of said Warrants will be adjusted pursuant to Clause 3 of the Instrument from 631.0 Japanese Yen (the Subscription Price currently in effect) to 618.60 Japanese Yen for Warrants exercised after 30th September, 1988.

FUJI HEAVY INDUSTRIES LTD.

Dated: September 16, 1988

A FINANCIAL TIMES

CONFERENCE

The Outlook For **World Mobile Communications**

London 7 & 8 November, 1988

Speakers include: Mr Robert Atkins, MP Parliamentary Under Secretary of State for Industry

Mr Maicolm Ross Arthur D Little Inc Mr Kouhei Nishino

Nippon Telegraph and Telephone Corporation

Mr John Carrington British Telecom Mobile Communications

Mr Garry Garrard Mr Olof Lundberg

Dr Stephan Pascall Commission of the European Communities

Mr Nils E Martensson

Mr Alan Sutcliffe

Mr Gerry Whent

Mr Ian McKenzie Philips Radio and Communication Systems Ud

Mr Armin Silberhorn The Outlook For

World Mobile Communications

To: Financial Times Conference Organisa 128 Jermyn Street London SW1Y 4UJ Tel: 01-925 2323 Th: 27347 FTCONF G Fax: 01-925 2125

(the "Company") U.S. \$30,000,000 6½% Convertible Bonds 1997 U.S. \$80,000,000 3½% Convertible Bonds 2000

To the Holders of

NOTICE OF FREE DISTRIBUTION OF SHARES AND ADJUSTMENT OF CONVERSION PRICES

ADJUSTMENT OF CONVERSION PRICES

Pursuant to Clanse 7 of the Trust Deed dated September 30, 1982 nnder which U.S. \$30,000,000 6½% Convertible Bonds 1997 were issued and pursuant to Clause 7 of the Trust Deed dated February 26, 1985 under which U.S. \$80,000,000 3½% Convertible Bonds 2000 were issued, you are herehy notified that a free distribution of Shares of the Company at the rate of 0.06 share for each one share will be made to the shareholders of record as of September 30, 1988 (Japan Time).

As a result of such distribution, the Conversion Price at which Shares are issuable upon conversion of said Bonds will be adjusted pursuant to Condition 5 (C) of both issues, from 328.70 Japanese Yen to 308.20 Japanese Yen for U.S. \$30,000,000 6½% Convertible Bonds 1997 and from 490.10 Japanese Yen to 462.40 Japanese Yen for U.S. \$80,000,000 3½% Convertible Bonds 2000, effective as of October 1, 1988.

October 1, 1988.

As a result of the redemption in full of the above two issues on September 30, 1988, (the "Redemption Date"), for which a previous Notice was made on August 31, 1988, such Adjustment of the Conversion Prices shall apply only for those Holders depositing their Bonds for Conversion on the Redemption Date.

THE INDUSTRIAL BANK OF JAPAN TRUST COMPANY

as Principal Paying Agent on behalf of: KUMAGAI GUMI CO., LTD.

Dated: September 16, 1988

To the Holders of WARRANTS

To subscribe for shares of common stock of KUMAGAI GUMI CO., LTD.

of U.S. \$400,000,000 4% Bonds Due 1993 with Warrants NOTICE OF FREE DISTRIBUTION OF SHARES

AND
ADJUSTMENT OF SUBSCRIPTION PRICE

Pursuant to Clause 4(A) of the Instrument dated July 14, 1988 under which the above described Warrants were issued, you are hereby notified that a free distribution of Shares of the Company at the rate of 0.06 share for each one share held will be made to shareholders of record as of September 30, 1988 (Japan Time). As a result of such distribution, the Subscription Price at which shares are issuable upon exercise of the Warrants will be adjusted pursuant to Condition 7 of the Warrants from 1,056.00 Japanese Yen to 996.20 Japanese Yen effective as of October 1, 1988.

THE INDUSTRIAL BANK OF JAPAN TRUST COMPANY as Principal Paying Agent on behalf of: KUMAGAI GUMI CO., LTD.

Dated: September 16, 1988

MANAGEMENT

Times proposes to publish this survey on

OCTOBER 5th Claire Broughtonon 81-248 8000 ext 3234 01-248 213)

FINANCIAL TIMES

defibrillators has been

MARQUETTE ELECTRONICS INC. USA

CHINA

The Financial Times proposes to publish this SULVEY OR:

12th December 1988

For a full editorial synopsis and advertisement details, please contact:

or write to him at:

on 01-248 8000 ext 3276

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FINANCIAL TIMES

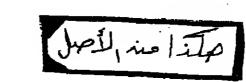
Notice of Early Redemption

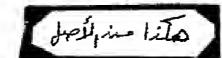


Kingdom of Sweden U.S. \$500,000,000 Floating Rate Notes Due 2005

Notice is hereby given that in accordance with Clause 6(h) of the Terms and Conditions of the Notes, the Kingdom will redeem all of the outstanding Notes at their principal amount on 21st October, 1988, when interest on the Notes will cease to accure. Repayment of principal will be made upon presentation of the Notes with all unmatured Coupons attached, or the Offices of anyone of the Paying Agents mentioned thereon. Accrued interest due 21st October, 1988 will be paid in the normal manner against presentation of Coupon No. 7, on or after 21st October, 1988.

Bankers Trust Company, London





LONDON STOCK EXCHANGE

Shares below best but oils advance

A wealth of economic numbers from both sides of the Atlantic, another day of tense trading in the oil share sector, an inflation warning from the Chancellor of the Exchequer and another increase in turnover led to an exciting session in

in a to by

The equity market once again opened on a firm note and made further good progress during the first couple of hours before turning off as Wall Street performed rather disappointingly. The FT-SE 100-share index recorded its fourth successive improvement, posting a 4.2 gain at 1,765.1, having been up 10.7 around 10 am. Government

back with the notable exception of index-linked issues. The warning by Mr Nigel Lawson, the Chancellor of the

Exchequer, that there will be a "sharp rise in recorded inflation over coming months", reflecting the impact of higher interest rates on mortagage payments, caused an initial bout of unease throughout Gilts and equities. Analysts are forecasting that

today's retail prices index could well show an annual increase of not far short of 6 And market observers were

also uneasy following the release of the latest UK eco-

٠,٠٠٠

gain was fuelled by rumours

that Mecca might be about to

launch a cash alternative to its

original paper bid. Mr Jeremy

Long group finance director of Mecca, said he was unable to comment on these rumours.

but added, "We are delighted

by our shareholders' endorse

ment and I hope the market

will now focus once again on

our bid." He confirmed that no

discussions have been held

recently with Pleasurama man-

agement, but would not com-

ment on speculation that Mecca might be in talks with

Mr Barry Hardy, the Plea-

surama director coordinating

the company's defence, said,

We are currently not aware of

any moves by Mecca, but we're

not surprised that our share

price had recovered from levels

at which it was looking funda-

FT-A All-Share index

920

Account Dealing Dates Triest Declings: Sep 5 Sep 19 Oct 3 ien Declarati Sep 15 Oct 12 Oct 14 Sep 26 Oct 10 Oct 24

nomic data which showed underlying average earnings up 9 per cent and productivity up around 8 per cent. "One possibly cancels out the other but overall the figures are slightly disturbing when cou-pled with the probable RPI figure" was the reaction of one economist. The news from the

Equity Shares Traded

rumover by volume (milion)

500

400

US, including retail sales, was described as heartening but Gas saga. Turnover in both failed to influence Wall Street classes of BP improved signifiduring initial dealings.

Wall Street's early reluctance to advance too far in excess of the 2,100 level on the Dow Jones average was said to have taken the shine off London's equity sector but traders welcomed the latest increase in activity from the dreadful levels recorded at the start of the week. Turnover yesterday, which included customer and marketmaker business, was

The oil sector continued to overshadow the rest of the equity market with traders looking for the next moves in

pared to remain loyal until the

ted trading ontlook and saw its

shares tumble 20% to 199%p. Dealers commented that they

thought the bad news had been partly discounted in the recent

share price and they were sur-

prised by the extent of the fall.

Analysts said worries about

condom sales in the US and

about defective raw materials

purchases by LIG were enough to chop profit forecasts by 5-10

per cent. Nomura Research has lowered its full-year forecast

Merchant banks caught the

attention in busy trading as a

US buyer went in search of

Kleinwort Benson stock. The

current market malaise has hit

the major London merchants

hard and there is no shortage

of speculation that some could

be facing hostile bids soon, say

dealers. By the close Kleinwort

Morgan Grenfell 6 to 260p.

had advanced 10 to 848p and

Among the insurers General

Accident took a buffstting from Hurricane Gilbert, drop-

ping 10 to 864p. Of the big UK

composites, General Accident is most exposed to the property

and motor market in the Southern US states. Commer-

cial Union were boosted by

rumours that Deutsche Bank is

building a stake and the shares

firmed 3 to \$27p on turnover of

2.9m. A hattle in Sedgwick

developed between bears in the

stock and investors looking to

go ex-dividend on Monday, By the close home

with Sedgwick unchanged on

the top end of expectations and

the shares were unchanged at

316p after turnover of 7.2m.

Crand Metropolitan was again the focus of a range of stories

and the sbares rose 71/2 to 485p.

Unconfirmed - rumours

suggested that VMS Realty of

(£1.8bn) for the interContinen-tal hotel chain, while another

story said that Grand Met had taken a 20 per cent stake in US food and restaurant company

TransWorld Services. Hanson

has also recently been linked

US had offered \$3bn

Guinness reported results at

close honours were aven

from £39m to £35m.

classes of BP improved significantly ahead of news, expected soon, of the result of the Mocopolies & Mergers Commission inquiry into the Knwait Investment Office stake in BP. Everyone is on alert in case the KIO pre-empt any decision by the MMC and reduce their stake to perhaps 14.9 per cent." said one trader. The conventional gilts mar-ket struggled but index-linked stocks raced up to close with gains of % amid inflation worries; "after loose stock was

cleared the market was caught in a bear squeeze", said deal-

flourish. AAH moved up 8 to exercise period starting in 1992.
London International Group
announced a worse than expec-265p, while Macarthy featured a gain of 11 at 234p.

> away yesterday that someone will bid for Sears within the next few days and Hanson Trust remains most people's favourite to make an offer. Sir Gordon White, head of Hanson's US operation, is said to be due in London this weekeod, heightening speculation that the group will make its easier at 126p on turnover of

shares as dealers noted general fell away sharply to close 13 off

Rainers met most market

bld early next week. Sears ended the session a penny 6.8m shares.

pliers of ladies lingerie to Marks & Spencer, enjoyed a satisfactory debut, earning a 3-pence premium on its place-ment price of 118p.

Since Compilation 15 13 12 Low High Low 85.81 86.67 85.93 91.43 (3/1/75) (2/9)(9/1/35)95.49 9563 95.53 95.34 95.63 105.4 50.53 98.67 94.14 (28/11/47) (3/1/75) 1349.0 (8/2) 1926.2 1401.7 1396.5 49.4 734.7 43.5 (15/2/83) (26/10/7<u>1</u>) (13/9)(7/1)Ord. Dt. Yield Earning Yid %(full) P/E Ratio(Net)(x) SEAQ Bargains(5pm) 4.83 12.18 9.95 19,698 Sep 14 Sep 13 74.8 72.7 970.76 20,321 298.0 1095.71 957.79 18,578 588.47 15,444 120.4 124.2 1935.9 Equity Value Ordinary Share Index, Hourly ob Gilt Edged Bargains 79.5 79.3 ●Opening ● 10 a.m. ● 11 a.m. ● 12 p.m.

FINANCIAL TIMES STOCK INDICES

Equity Bargains Equity Value 1886.8 1791.1 London Report and latest

Volume Closing Our's 000's Price change

Basis 100 Govt. Secs 15/10/26, Fixed Int. 1926, Ordinary 1/7/35 Gold Mines 12/9/55, SE Activity 1974, & Nil 9.89 (Excluding

1423.4

Shell joins sector spree

Shell Transport Shell Transport shares attracted inquiries which marketmakers described as "most unusual" following the Royal Dutch/Shell group interim dividend and stock split/share scrip announcements. Volume surged to 5.6m as the price jumped 21 to 1016p with investors welcoming the payments which, although qualified by the group's aim for a more appropriate balance between interim and final dividends; raised hopes of an increas total distribution. Royal Dutch rose 1% to £65.

Another boost was the proposed split of Royal Dutch stock/and share scrip from Shell which should make for greater marketability in both. The enthusiasm for the oil majors competed with a fresh bout of speculative activity for the independents and took place against a backcloth of declining crude oil prices.

lysts recommended switches between the leaders. British Petroleum "old" were a beneficiary, surging 51/4 to 246p amid turnover of 8.2m shares; the partly-paid kept pace in smaller volume to end 6 up at -147%p. However, the top slot in terms of activity went to British Gas, down 11/2 more at 168p after trade of 17m shares. Enterprise moved relentlessly forward, rising 28 to reckoned that LASMO should

be the stock in play. The stock offers such good value sand a cheap way into Enter. The shares were one of the prise, a bid single materials. The shares were one of the soon", said one. LASMO improved only 3 to 569p after turnover of 5.1m shares. Clyde advanced 7% to 127p and Calor arising from reorganisation

ATES

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Links of Calif

Despite advice to shareholders not to take up their rights entitlement. Ultramar new nilpaid stock got off to a successful start. After opening at a 20p premium, the shares immediately forged higher to close at a 31p premium, while the "old" ended 12 dearer at 227p exists. rights.

R-R disappoint

mentally cheap."

strengthening its bid.

The announcement of interim pre-tax profits of £63m compared with £60m from Rolls-Royce failed to meet with market expectations which ranged around the £70m mark.

The problem appeared to be arising from reorganisation and severance costs which

300 Aug Seo Jul Aug

1988 pre-tax forecast by £5m to

£165m. Over the longer term,

however, HG remains positive and is raising its estimate for

1989 from £185m to £200m.

P & O Cruise

A series of favourable recommendations and upgraded fullyear profit forecasts succeeded the P&O interim figures, forcing investors to take a more positive stance on the shares. Mr Selwyn Jones of Citicorp Scrimgeour Vickers thinks the reason for the stock's under-performance is the belief that a bid will emerge for Taylor Woodrow.

Since the new management team was installed five years ago, however, all P&O corpo-rate deals have been on an agreed basis and in the current climate such a deal cannot be ruled out. "A core holding for capital growth funds and currently very attractive for income funds," says Mr Jones. The shares rallied 3 to 537p

International stocks were mixed. Glaxo ran into profittaking after its recent good rise, falling 15 to 1014p in turnover of 2 2m. Its figures are due on Monday, with market fore-casts ranging from 1810m to £840m. Hanson fell a penny to 143%p as dealers commented that there has been no news on possible acquisitions.

BTR reported its sparkling figures, with profits of £368m inspiring a rise of 10 to 283p in heavy trading of 8.3m shares. Broker Kitcat & Aitken has proceed a full-way forceast of and severance costs which
took most analysts by surprise.
This was mitigated to a certain
extent by a 20 per cent increase
in the dividend payment.
Although the exceptional
charge is expected to be partly
bifiset by lower research and
development costs, Hoare Govett (HG) saw fit to reduce its posted a full-year forecast of \$770m, rising to £900m for 1989. The 1-33 warrant issue was seen as a simple bonus issue for shareholders which are pre-

forecasts with interim profits up 92 per cent to £6.5m, keeping the jewellery group on course for somewhere around £75m for the full year if Christmas sales live up to expectations. Yet the good figures had been discounted by the recent run in the stock and Ratners lost tuppence to 218p. News that Harris Queen-

sway has put its Loodon toyshop Hamleys np for sale nudged the shares up a half-penny to 75p. There should be no shortage of foreign interest in the store, say dealers, although Mr Andrew Fowler. analyst with Charterhouse Tilney, believes it easy to overstate the attractions of the famous shop. "The toy market is notoriously seasonal and Hamleys is not a mass-market name, so it might be a manage-

ment huy-out situation."

The whispers would not go

Newcomer Ritz Design, sup-

Racal again dominated the Electricals sector, rising 9 to 410p in heavy trading of 9.4m

relief that the Vodafone flotaon the day at 176p.

finder prospectus looked "very healthy".

Travis and Arnold advanced to close 9 up at 514p, compared with Meyer International's hos-tile counter-bid of 500p cash high of 340p.

1422 9

DAY'S LOW 1417.7

1425.6

DAY'S HIGH 1426.0

las O

Series Group 50p... Cathle & Wireless 50p... Cashury Scheropes... Coass Vigetta Coass. Falco

1424.9

1423.9

| Search | State | Control | Control

1424.5

TRADING VOLUME IN MAJOR STOCKS

per share. Market speculation centres on the possibility that Meyer may have to raise its offer to win the day and suggestions that another predator may appear on the scene. Food stocks were less active sterday, although Cadbury

Schweppes gained 121/4 to 358p in turnover of 5.8m shares, lifted by persistent speculation that it may be the subject of a bid from Grand Metroplitan.

James Neill met with persistent selling as the group announced lower interim profits (£2.7m against £3.8m) and

tion will go ahead as planned. One commented that the path-British & Commonwealth

beat its half-year forecast with cet seemed unimpressed and the shares dropped 8 to a 1988 low of 214p, compared with the Templeton Galbraith & Hansberger, the investment advisory and management ser-

vices group based in the Cay-man Islands, were one of the more brighter features among miscellaneous financial issues Mr Philip Gibbs, analyst with CL-Alexanders Laing & Cruickshank, rates the stock, up 5 yesterday at 125p, a buy for several reasons. He points to the quality of earnings, which is among the highest in the sector, the excellent investment performance record and

value rather than trends.

Inchcape slipped back 4 to 208p, despite unfolding midterm profits at the top end of the range. Mr Richard Allen. sector researcher at Kleinwort Grieveson, said the figures are good, but the upside is limited

at current levels.

Turoover in the Traded Options market continued at its receot high levels yesterday as 44,220 contracts changed hands, of which 31,835 were calls and 12,385 puts. The busiest business was in British Gas, with 4,243 contracts, Trusthouse Forte with 4,062, BTR with 3,872 and Hanson Trust with 3,722 contracts.

 Other market statistics. including FT-Actuaries Share Index and London Traded Options, Page 40

NEW HIGHS AND LOWS FOR 1988 Pleasurama advance

After languishing for several weeks, shares in leisure group Pleasurama enjoyed a long. rally yesterday, rising 25 to 224p in turnover of 2.8m. Dealers had no difficulty in explaining the gain, pointing out that it came after Mecca Leisure's meeting at which Mecca shareholders endorsed the company's recent bid for Pleasurama.

Mecca shares rose 2 to 174p. Although there was some buying interest, most of the

NEW HEGHE (94).
AMERICANE (12) Amer. Express, Americals, Serbars N.Y., CPC-int., Camposil Soup.
Scieds, Instituc, R.H. Robboo, Sars Les.
TW Services, Transminetor, Weste Mingrel,
CARADINES (9) Bit. Montress, Br. Nova
Socie, Cen. Irap. Bit., Derbus Res., Royal
Bit. Cen., Troponto, Balkitis (9) A.Z., Devisiohe
Bit., Ital., Toronto, Balkitis (9) A.Z., Devisiohe
Bit., Ital., Toronto, Salkitis (9) Alzo,
(1) Travis & Arnold, CHERICALS (3) Alzo,
(2) Britisher (1), No. Sector (1), Molessie
Frig., EMSINEERINS (1) Chemitring, POCOS
(3) SCH, Krutt Inc., Tax & Lyfe.
Macchine, Mayore Nickers, Pauma-Pepola,
Serio, Britisher (1) This Chyl. (1) Robot (1), "A." SCHOOLS (2),
PAREXS (1) Univer Wester, PROPERTY (2)

Erostin, Esta. 8. Agency, Jermyn Iovest., ISASPERIG (2) Gota.ne-Larsen, Turnbull S TRUSTS (1) Contl. Assets Tet., OR.S (4) Enterprise Cit., Namitton Oil, LASMO, Sovereign Cit.

Sovereign Oil.
NEW LOWS (ZS).
CAMADIANS (1) Armeno, SURLDPROS (2)
Barratt Oov, CHEMICALS (1) VOIINg
Packaging, STORES (1) Moss Sens.
ENGINEERING (1) VICINUIL, POODS (2) Dee
CATS., Sainblury (LI, Teop., MOUSTRIALS
(4) Fergabrook, Keryon Sen., TT Group,
Talbex, RESURANCE (1) London Und., HENDER, WHUMANCE (1) LONDON (Rd., PAPERS (2) City of London PR. Smith (David S.). PROPERTY (1) Westleid, TEXTULES (1) Socialerd, TRUTTLES (2) Socialerd, TRUTTLES (2) Socialerd, Reserve, McFinley Red Leie, Nor-Quest Pee.

with TransWorld. with TransWorld.

Associated British Ports pleased with the announcement of interim profits some 59 per cent higher at £21.2m. Responding to the figures, ABP shares moved ahead strongly to 511p before settling a shade below the best with a rise of 16 on the day at 509p. British on the day at 509p. British Aerospace, a depressed market since announcing its interim figures earlier in the week, staged a modest rally and closed 5 better at 456p; volume

was 14m shares.
A ruling by the Director
General of Fair Trading that Unichem's Share Scheme is an anti-competitive practice brought its rivals to life with a

NATURAL RESOURCES AND RELATED INDUSTRIES

NETPROFIT—UP77%

EARNINGS PER SHARE—UP77% · DIVIDEND PER SHARE—UP 33%

Half Year'88 Half Year'87 £199m f,113m Net profit (after tax and minorities) Earnings per share 14.5p 25.6p Dividend 4·25p 3.2p

APPOINTMENTS

Changes at **British** Aerospace

Further to BRITISH AEROSPACE's announcement on July 6 that it was proposing to devolve further responsibility and accountability for the success accountability for the success of the company's business operations to its divisions and subsidiary companies, the following appointments are being made: On October 1 Dr. Maurice Dixson, chief executive of Royal Ordnance, to become menseing directors. is to become managing director-of the civil aircraft division and managing director of British Aerospace (Civil Aircraft). On the same date Mr Peter Kenyon, managing director of the ammunition division of Royal Ordnance, is appointed managing director of Royal Ordnance. Mr Norman Barber, managing director of the military aircraft division, is appointed managing director designate of the dynamics division and managing director of British Aerospace Dynamics on December I to succeed Mr John Parkheese, who will retire on December 31. Also effective December 1, Dr Ian Hall, deputy managing director of the military sircraft division, is made managing director of that division and Mr Tony Baxier, headquarters production director, is

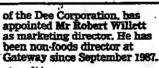


At ROCEWARE GROUP Mr John Biffen, MP, has been appointed to the group board as a director.

division. They are also appointed, respectively managing director and deputy managing director of British Aerospace (Military Aircraft). Mr John Holt, managing director of the space and communications division, has also become managing director of Billish Aerospace (Space

GSPK, manufacturers of printed circuit boards, has appointed Mr Russ Perkins as sales and marketing director. He joins from R.E. ingham, where he was responsible for all sales and marketing activities.

■ GATEWAY appointed deputy managing GATEWAY
director of the military aircraft FOODMARKETS, a subsidiary



Mr John Lenihan, managing director of Crayonne, is to take on an additional role within the McKECHNIE consumer products division following his appointment as managing director of GEECO. He will now be responsible for both companies.

■ MITSUBISHI FINANCE INTERNATIONAL has appointed Mr Jacques Pezler a director. He was a director of BZW UK Equities management.

Mr Michael Murray has been appointed managing director of ATCO, the lawninower manufacturer. He joins from Rest Assured Holdings, a subsidiary of the BTR Group, where he was managing director.

Mr Hugh Mellor has been appointed a non-executive director of MEGHRAJ BANK.

At UNITED SCIENTIFIC HOLDINGS Mr Tony Pearson has become company secretary. He joins the UK operation at the London headquarters, having spent the previous five years based in Cairo as finance director of its Egyptian joint venture company, Arab international Optronics.



appointed Mr Michael Brown to the board. He is the company's group legal adviser and company secretary.

 Sir Ralph Robins, managing director of Rolls-Royce, has been appointed a director of STANDARD CHARTERED.

 ASDA GROUP has elected Mr Ronald Scott a director. He is finance director of Asda

■ WHITECROFT has appointed Mr Christopher N. Jenkinson as chief executive of its textile division. He has been managing director of Edward Hall and Brother, the group's medical fibre associate, since 1972. Mr John Catterall, works director of Edward Hall, has become its managing

THE RTZ CORPORATION PLC, 6 ST JAMES'S SQUARE, LONDON SWIY 4LD

The full interim statement is being posted to shareholders. For further copies please write to: The RTZ Corporation PLC, 1 Redcliff Street, Bristol BS1 6NT.

COMMODITIES AND AGRICULTURE

Last chance to save cocoa agreement

DELEGATES TO the International Cocoa Organisation (ICCO) talks in London today have a last chance to solve the problems which are threatening to leave the agreement in disarray. "It's going to be a tough day," a consumer delegate said

yesterday. Key issuos in dispute are:

The levol of prices the agreement is trying to defend.

The problem of arrears in

Thoy have been talked around for the past fortnight without success. As another consumor delegate said yesterday: "Nothing has really happened since the first day."

Consumer-countries, which a fortnight ago were hoping for an early settlement to the

main problems, are now in despair that any progress will Yesterday their spokesman, Mr Peter Baron, said: "I'm very pessimistic." He tried again to get producer-countries to agree to start negotiations on the

At the start of talks producers said they did not want to be rushed into anything hot emphasised they wanted the agreement to

Their spokesman, Mr Mamah Mohammed, said: "We need this agreement." Yesterday he said he was was still optimistic

The dispute over defence prices goes back to last March. A special panel was set up to look into the problem. It

look into the problem. It advised, just before the talks, that the organisation's indicator price chould have been cut six months ago to a range of 1,370 Special Drawing Rights to 2,040SDRs.

Producers rejected the advice. Meanwhile, cocoa pricec have collapsed. The indicator price vesterday stood indicator price yesterday stood at 981.30SDRs.

at 501.305URS. Even if the price dispute is resolved, the organisation is facing a crisis in the funding of its 250,000-tonne buffer stock. Ivory Coast, the world's biggest producer, owes \$48m. and no producer countries are paying the \$30-a tonne levy on

their exports.

ironically, the only income for the buffer stock is the levy boing paid by consumor members on imports of coosa from oon-member countries.

proposing that if no deal is reached on the arrears in the talks, all levios should be suspended from October I. Meanwhile, the talks today look like following the

organisation's tradition of running late into the night. However, consumers are increasingly sceptical that this time something will be pulled out of tho hat at the

London bullion's dullness takes toll

By Kenneth Gooding, Mining Correspondent

THE LONDON bullion market's dull conditions most of this year are taking their toll Italian International Bank. the merchant and international banking subsidiary of Monte dei Paschi di Siena, has given up bullion dealing after a year. a half-honr's drive from Nairohi yet their tranquility seems a million miles away from the frantic tension and

Mr John Baden, IIB managing director, said: "We tried for a year but could not make a reasonable profit. We do not oxpect market conditions to change and so we

The bank gives up London Bullion Market Association membership. Mr Robert Guy, association chairman, said he expected more departures in coming months. But this would ho offsot by new members. Loss of IIB was balanced by addition of Moscow Narodny

The gold price fell again in London yesterday, by \$4, to \$417.75 a troy oz. Mr Guy said investor interest was minimal but trading volume was quite strong because there were signs gold-producers were again hedging future output and Taiwan and South Korea were active buyers.

Mr Joffrey Nichols, managing director of American Precious Metals Advisors, which is based in New York, said: "In the near term we would not be surprised to wake up one morning to a gold price of \$400 an ounce or less. Nor would we be surprised to see gold gradually climb back to \$450 or evon \$475." But after a few months gold was likely to rise to new highs for this cycle.

Baltic Freight Index to

Julian Ozanne explains why Nairobi coffee circles are tense on the eve of ICO talks of tall green coffee trees which high the hilly terrain around Ruiru, heart of the Kenyan coffee industry, are the Kenyan cones industry, are interrupted only by the blazing orango flowers of the Nandi Flame trees and the occasional cluster of women in brightly-coloured skirts picking red coffee berries ripening early before the November harvest. Ruiru's coffee estates are but a half-honr's drive from

is a limit to how much it can sell at prices between 35 per cent and 50 per cent lower than in the quota market. So attention is being focused on the size of Kenya's export

TANZANIA

quots under the present ICO agreement, which is now 1.2m ags a year, or 2.49 per cent of the total export quota market. The coffee industry says this The coffee industry says this is unfair because Konyan arabica coffee is of very high quality and in high demand. While there is a glut of robusta on the market, good arabica is in short supply, a fact not recognised by the ICO agreement which allocates quantitative quotas irrespective of quality.

Mr Pairick Katingima, CBK general manager, said: "We have put great effort and money into our coffee to

money into our coffee to ensure it is the very highest quality. That is why there is such high demand for our crop from European countries and hlenders and why we get very

good premiums.

But that effort has not been rewarded. The ICO agreement does not supply the kind of coffee required by the market. That has to change."

This view is shared by high-quality consumer nations like Britain, The Netherlands, West

Germany and Sweden which, at the ICO meeting starting in London next week, will push

INSECTS HAVE damaged coffee in areas near Colombia's border with Ecnador, the National Federation of Coffee Growers said, Reuter reports from

Kenya eyes shadow over its top cash crop

Insects of the hypothenemus hampel variety have damaged coffee in forest zones near the border with Ecuador but far from traditional coffeegrowing areas in Colombia's

for introduction of a selective system distinguishing between coffee grades.

However, this argument is unlikely to impress the hig producers of robusta in Latin America and Africa. Further, given the deadlock there is speculation the coffee agreement, which expires next September, is on the verge of collapse.
Privatoly some Kenyan

Privatoly some Kenyan producers are hoping the ICO will fail to agree, ushering in a free market in which Kenya, because of its high-quality coffee, could do quite well. That could spell disaster for African coffee republics such as Uganda.

Moreover Mr Katingima

as Uganda.

Moreover, Mr Katingima
says a free-market scramble
would by no means guarantee
Kenya could competo with
big producers able to offer substantial concessions.

The Kenyan Government, to increase its bargaining position for a higher quota, has, like other African nations, devised

an amhitious development plan for the coffee industry which would lift output by 7 per cent a year, to 350,000 tonnes, by the However, the coffee target is also a recognition of the

hampers expansion plans. Mr Charles Karanja, chairman of the Coffee economic necessities of the Growers Association, said, "The government can plan all Kenyan economy with its burgeoning population growth

The federation said it was planning measures to fight the insect damage. It warned people to avoid the area, to prevent the insects being carried to the Colombian interior where is some of the world's highest-quality coffee. Hypothenemus hampel. discovered in southern Colombia close to the border with. Ecuador about two months

ago, devours coffee beans on

Because coffee is an extremely labour intensive

crop which generates higher

income and export earnings

per hectare than any other

commodity, the Government has substantially pinned its

the industry.

The obstacles to increasing production are formidable. Farmers complain of high costs.

of inputs such as imported fertiliser and chemicals, and of

fertiliser and chemicals, and of a government-levied expertitax.

This, combined with poor husbandry in the co-operative sector, which produces 60 per cent of the total crop, and an extremely complicated

payments system which causes long delays in money reaching the producor, seriously

omic hopes on expanding

earnings.

their inside, where it lays. Colombia is the world's second-biggest coffee experter, after Brazil. Coffee is its main export earner.

In Quito last week an agriculture ministry official said rust and insect damage from hypothenemus hamps; had damaged about 50,000 hectares of Ecuation's coffeegrowing areas.

it wants to on paper but, at the end of the day, the farmer will decide whether to increase production or not. And at the moment the incentives just aren't there." of 4 per cent a year, the highest recorded in the world. Kenya, with such population explosion, and if population explosion, and if It is to continue its record of economic growth, is faced with the pressing need to increase rural incomes, to stem the flood into the cities with the rosulting proliferation of urban poor and to raise export earnings. However, Kenya is more

fortunate than its robusts-producing African counter-parts, because of high premiums commanded by its

Further, if farmers can be persuaded to replant crop with the disease resistant hybrid variety Ruiru 11, production costs could be cut by as much as 40 per cent.

The World Bank says this with improved extension ervices end hetter management practices in the co-operative sector geared towards increasing multipleton towards increasing production towards increasing production estatop-quality grades; osuld meet much of Kenya's need for economic growth through coffee expansion.

Howover. .without government funds and amid trade rumours about the cup quality of Ruiru 11. many farmers remain unconvinced.

'Meanwhile, all eyes are turned on the coming talks in London, in the hope a beneficial deal can be reached.

Bond eyes nickel of New Caledonia and Indonesia

By Chris Sherwell in Sydney MR ALAN BOND, tho Australian entrepreneur, is negotiating with the French and Indonesian governments to mine vast nickel resources in Now Caledonia and

Indonesia and to process the ore at his Australian plant. The separate proposals are unusual: they would reverse Australia's traditional role as a

quarry the ores of which tend

to be refined abroad. They are important politi-cally: Jakarta has been upset hy Australian press coverage of Indonesia; strained relations with Paris spring from France's South Pacific policy. The New Caledonia proposal would soo Dallhold Investments, Mr Bond's

family-controlled company. take a 49 per cent stake in two French government-controlled companies with nickei ore reserves of 1,000m tonnes. Sociefe le Nickel,

company which mines New

ALUMINIUM PRICES on the LME

Caledonia, is resisting the idea. It runs a big nickel-smelter in

Dallhold is negotiating with BRGM, the research and mining agency of the French Government, which controls the two companies, Cofrenmi and Sociéte Promine. Amax, a US company, holds a substantial stake which

nickel deposit and a 37,000tonne load is being put through Mr Bond's plant in Townsville, Queensland.

Until Dallhold acquired the plant two years ago a question-mark bung over its future. The plant is linked to the Croenvale nickol and cobalt operation. Mr Bond aims to secure new sources of ore to keep the plant running.

Ho has a contract with PT Aneka Tamhang, Indonesia's

nickel group, to supply 500,000

tonnes of ore annually. More is

COCOA Ectonne

Dallhold seeks.

A test has been made on a

undergo biggest revision By David Blackwell

. 779 763

Turnover: 5280 (4285) lots of 10 tonnes 1CCO Indicator prices (80Rs per tonne). Daily price for Sop 14: 961.41 (973.97):10 day average

THE BALTIC Freight Index (BFI), compiled daily at the Baltic Exchange, London, is to undergo its biggest revision since being launched three years ago.

The amendments were announced by the Baltic International Freight Futures Market (Biffex). They take effect from November 4 and reflect changed market conditions. The weighted index is based

on freight rates for selected cargo routes. It is used as the basis for the Biffex dry freight futures contract, traded on the Baltic Futures Exchange.
The BFI, amended twice at

the start of 1986, is widely watched by the shipping world. Its inception gave the market a daily measure with which to

LONDON METAL EXCHANGE

1510-6

Copper, Orade A (C per tonne)

1455-7

. Standard (£ per tonne)

3 months 1443-5

m, 89.7% perby (5 per tonne)

um,26.5% purity (£ per torme

1490-5 1429-30

follow freight-rate trends, for

anxiety which penetrates the capital's coffee circles.

The industry is the country's

leading cash crop, accounting for 40 per cent of export

earnings. A shadow has been cast over it by tumbling international prices, increased costs of production and dissatisfaction with an

international quota system discriminating against the high-quality coffee Kenya

The International Coffee

Organisation (ICO) suspended export quotas in 1986. Kenya cleared all its carry-over

stocke, selling more than 131,000 tonnes which earnt a

record 7.8bn shillings in

foreign exchange. However, last year, as prices

spiralled and quotas were reintroduced in October. Kenya had to resort to the

non-quota market. Rarnings

fell to 5bn shillings.
The Coffee Board of Kenya

(CBK) has announced that

total output this year will reach about 124,000 tonnes (2m

bags) and that the country will not be able to sell 50 per cent of the 3.1m bags of coffee now

While the board is urgently looking at ways to expand

sales in the non-quota market,

now 150,000 bags a year, there

the first time.

The number of rontes monitored daily for the index hy a panel of eight brokers will he cut from 13 to 12, dropping the pig-iron ronte from Vitoria, Brazil, to China. A phosphate route from Casahlanca to India will replace an existing potash route from Hamburg to India. The weightings on two of the

routes have also been changed.
The changes emphasised the "determination of the Baltic Exchange to make sure that the BFI remains a dynamic yardstick of the dry-cargo

Grain trades account for 65 per cent of the index, which also includes coal and iron ore.

1538-8 1468-8

1482-3

1370-3

643-6

WORLD COMMODITIES PRICES

(Prices supplied by Amelgameted Metal Tracking)

AM Official Kerb close Open Interest

1434-5

Ring turnover 300 tonne

Ring turnover 23,580 tonne

Ring turnover 19,475 tonne

44,825 lots

65,297 lots

Ring Armover 0 023

449 lots

Fling turnover 9,700 tonne

Ring turnover 0 tonne

Insecticide for soyabean stunts US maize

By Deborah Hargreaves in Chicago

LAST YEAR Mr Ralph Winkler, a farmer in western Illinois, felt progressive in trying a new herbicide for his soyabean crop.

However, as a dry 1987 turned into this year's drought, rainfall on his 3,000-acre farm was insufficient to wash away residues of the chemical which

residues of the chemical, which has helped to stunt this year's maize plants. Mr Winkler's problem is

expected to be widespread next year as farmers prepare to rotate crops to land which has not been washed clear of this year's herbicides. One of the widely-used

new herbicides is a brand called Scepter, produced by Amorican Cynamid, a chemicals com-

pany. Scepter was used on up to 20 per cent of the Midwost's soyahean acreage, said Mr Garren Benson, agronomist at Iowa Stato University. He said: "It has been so dry, there is a tendency for these herbicides to last longer."

Some herbicides, used to kill weeds without damage to one crop, can destroy or retard growth of another crop, such as maize, which usually follows soyabeans in crop-rotation systems.

It takes about 15in of

rain for many herbleides to break down and much of the Midwest has seen rainfall levels way below that total this year. American Cynamid is

recommending that no maize be planted in large parts of the Midwest in fields where Scepter has been used this year

for soyabeans.

farmers will not be able to rotate crops next year. Rotation improves yields and helps control some insects and Mr Bensou estimates that

a lack of crop-rotation for maize and soyabeans. cuts yields hy ahout 5 As farmers move into this year's harvest season.

processors hecause

beans. In addition, This will mean many fields have matured very

CRUDE Oil (Light) 42,000 US gette S/perrei

imevenly and beans are being mevenly and beans are being delivered in varying sizes. This has left the grain-elevators unsure about what sort of discount system to apply. Maize buyers are screening carefully for aflatoxin, a fongal disease that can affect drought-weakened maize plants.

The disease can induce abortions in cattle eating

this year's harvest season. The disease can induce those that have a sizeable abortions in cattle eating crop to sell are facing the grain. The problem is various quality problems usefully in the Southern caused by the drought; make the cases has left some soyabeans in the Midwest.

The lack of mulisture as few isolated cases has left some soyabeans in the Midwest.

a greenish colour, which However, the full extent of is not favoured by the drought's effect on the processors because it quality of this year's crops

of this year's crops gives a green tinge to will not be seen until more oil produced from the concrete results are obtained beans. soyabean under way in the next few

Chicano

270

LONDON MARKETS

dipped sherply in the late efternoon, with three-month standard grade metal at £1,444 a tonne, equivelent to \$2,400. in morning trading it had reached \$2,460 a tonne against a background of chert buying end reflecting the possibility of hurricane damage to the industry. However, chartists said the lala sell-off had prevented the market breeking above the \$2,400 resistance close before lurther gains are eignelled. Copper prices eased, with upside movement checked by New York's reluctance to follow Wednesday's rise. Meanwhile, coffe-

of lurther reports of rain in Brazil's

rebound was partly technical

SPOT MARKETS

Crude oil (per barrel FOB S	eptember)	+ or -
Dubei	512.26-2.33z	
Breni Cland	\$13.79-3.85q	
W.T.I. (1 pm cst)	\$15.00-5.03q	-0.30
Oil products (NWE prompt delivery per i	onne CIF)	+ or -
Promium Gasolina	\$168-170	+1
Gas Oil	\$123-124	-1.5
Heavy Fuel Oil	\$63-65 \$133-135	-3 -3.5
Naphtha Petroleum Argus Estimates	\$130-100	-5.5
Other		+ or -
	\$417.75	-4.0
Gold (per troy oz) 4 Silver [per troy oz) 4	845c	-8
Platinum (per troy oz)	\$523.25	-2.50
Palledium (per troy oz)	\$121.50	-0.25
Aluminium (free market)	\$2595	+ 145
Copper IUS Producer)	1115g-115c	1 140
Lead IUS Producer)	37c	
Nickel [free market)	540c	
Tin (European iree market)	24490	+8
Tin (Kuala Lumpur market)		+0.13
Tin (New York) Zine (Euro, Prod. Price)	348c 51312.5	-0.5
Zing (US Prime Western)	555ac	
Cattle (live weight)†	112.750	·1.26°
Sheep (dead weight)?	154,130	-0.76°
Pigs Ilive weight):	73.28p	+2.15
London daily sugar (rew)	\$260.00	+3.6
London daily sugar (white)		4.0
Tate and Lyle export price	£270.0	+4.0
Barley (English feed)	€1 10.5v	-1.0
Malze (US No. 3 yellow)	£127v	
Wheat (US Dark Northern)	£123s	+1
Rubber (spol)♥	67.00p	-1,00
Rubber (Oct)♥	73.50p	-1.00 -1.00
Rubber (Nov) ♥ Rubber (KL RSS No 1 Oct)	74.00p 519.0m	-1.5
Cococut oil (Philippines)§	\$585w \$427.5q	
Pain Oil (Maleysian)s Copra (Philippinos)s	\$385	
Soyebeans (US)	5214.5	+2.0
College 'A' under	60 15c	+1.40

	E/tonne		
	Close	Previous	High/Low
Sep	1065	1060	1007 1055
Nov	1073	1055	1080 1047
Jan	1065	1063	1064 1037
Mar	1043	1046	1038 1020
May	1042	1042 1048	1040 1027
Jiy Sep	1042 1050	1056	1040 1027
ICCO II Sep 13	adicator p	dally 111.3	f 5 tennes ents per pour (114.35); . 1
SUCAF	(3 per to	nne)	_
Raw	Close	Previous	High/Low
Oct	237.80	237.80	239.80 235.00
Dec	238.40	240.00	
Mar	235.20	236.20	237.00 233.40
May Aug	230.20 229.00	231.00 230.00	231.40 229.00 229.00
Oct	224.80		226.00 225.20
White	Close	Previous	High/Low
		268.00	260.00 256.00
Oct Dec	260.00 252.50	252.50	251.50 251.00
Mar	255.50	255.00	257.50 253.50
May	258.50	257.00	257.50 257.00
		258.00	257.50 255.50
AUO	258.50		
Aug Oct Turnove	257.00 Ir: Raw 2	256.00 2466 (6123)	255.50 254.00 lots of 00 to
Aug Oct Turnove White 1 Paris- V Mar 151	257.00 or: Rew 2 863 (1621 Vhite FFr 15, May 1	256.00 2466 (6123)	255.50 254.00
Aug Oct Turnove White 1 Paris- V Mar 151	257.00 Ir: Raw 2	256.00 2466 (6123)	255.50 254.00 lots of 00 to
Aug Oct Turnove White 1 Paris- V Mar 151	257.00 ar: Raw 2 883 (1621 White [FFr 15, May 1 L \$/tonne	256.00 2466 (6123)) . per tonne): 650, Aug 16	263.50 254.00 to lots of 00 to Oct 1680, Dec 135 Oct 1635 High/Low
Aug Oct Turnove White 1 Paris- V Mar 151	257.00 ar: Raw : 263 (1621 White FFr 15, May 1 L \$/tonne Close 123.75 125.50	256.00 2466 (6123)) . per tonne): 630, Aug 16	263.50 254.00 to lots of 00 to Oct 1680, Dec 135 Oct 1635 High/Low 128.25 122.50 127.75 125.25
Aug Oct Turnove White 1 Paris- V Mar 151 2AS GR	257.00 or: Raw 2 863 (1621 White FFr 15, May 1 L \$/tonne Close 123.75 125.50 127.50	256.00 2666 (6123)) . per forme): 630, Aug 16 Previous 128.25 127.75 130.25	265.50 254.00 to lots of 00 to Oct 1690, Dec 1635 Oct 1635 High/Low 128-25 123-50 127-75 125-26 127-70 127-70
Aug Oct Turnove White 1 Paris- V Mar 151 QAS Off Det Nov Dec Jan	257.00 or: Raw 2 e83 (1621 White FFr IS, May 1 L \$/tonno Close 123.75 125.50 127.50 126.75	255.00 2666 (6123)) . per tonne): 630, Aug 16 Previous 128.25 127.75 130.25 130.08	255.50 254.00 tots of 00 to Cct 1690, Dec 335 Oct 1635 High/Low 128.25 123.50 127.75 125.25 129.00 127.00
Aug Oct Turnove White 1 Paris- V Mar 151 QAS Off Case V Det Jan Feb	257.00 sr: Raw : 863 (1621 White FFr 15, May 1 L \$/tonno Close 123.75 125.50 127.50 126.75 125.60	255.00 2466 (6123)) per tonnel: 630, Aug 16 128.25 127.75 130.25 130.00 128.25	255.50 254.00 tots of 00 tot 1690, Dec 1690, Dec 1635 Oct 1635 122.55 122.55 129.00 127.75 125.25 129.00 127.00 128.75 125.55 125.55
Aug Oct Turnove White 1 Paris- V Mar 151 QAS Off Oct Nov Dec Jan Apr	257.00 sr: Raw : 863 (1621 White FFr 15, May 1 L \$/tonno Close 123.75 125.50 127.50 126.75 125.60	255.00 2666 (6123)) . per tonne): 630, Aug 16 Previous 128.25 127.75 130.25 130.08	255.50 254.00 tots of 00 to Cct 1690, Dec 335 Oct 1635 High/Low 128.25 123.50 127.75 125.25 129.00 127.00
Aug Oct Turnove White 1 Paris- V Mar 151 QAS Off Case V Det Jan Feb	257.00 or: Raw 2 e83 (1621 White FFr IS, May 1 L \$/tonno Close 123.75 125.50 127.50 126.75	255.00 2466 (6123)) per tonnel: 630, Aug 16 128.25 127.75 130.25 130.00 128.25	265.50 254.00 tots of 00 to 0ct 1680, Dec 1685 Oct 1685 High-Low 128.25 123.50 127.75 125.25 129.00 127.75 125.25 129.00 127.75 125.25 128.75 125.25 128.75 125.25 128.75 125.25 128.75 125.25 128.75 125.25 128.75 125.25 128.75 125.25 128.75 125.25 128.75 125.25 128.75 125.25 128.75 125.25 128.75 125.25 128.75 125.25
Aug Oct Turnove White 1 Paris- 181 Mar 181 Det Nov Dec Jan Feb Apr May Jun	257.00 ar: Raw 2 863 (1621 White [F27 White [F27 White [F27 IS, May 1 L \$/tomno Close 122.75 125.50 127.57 125.50 122.50 123.00 123.00	256.00 2466 (6123)) per tonne): 650, Aug 16 50, Aug 16 128.25 127.75 130.25 130.00 128.25 124.00	265.50 254.00 tots of 00 to Oct 1680, Dec 1685 Oct 1685 High/Low 128.25 122.50 127.75 125.25 129.00 127.00 128.07 128.00 128.07 128.00
Aug Oct Turnove White 1 Paris- V Mar 151 QAS Off Oct Nov Dec Jan Apr May Jun	257.00 ar: Raw 2 863 (1621 White [F27 White [F27 White [F27 IS, May 1 L \$/tomno Close 122.75 125.50 127.57 125.50 122.50 123.00 123.00	256.00 2466 (6123)) per tonne): 650, Aug 16 50, Aug 16 128.25 127.75 130.25 130.00 128.25 124.00	265.50 254.00 tots of 00 to 0ct 1680, Dec 1685 Oct 1685 123.50 127.75 125.25 129.00 127.00 128.75 128.00 127.00 128.75 128.00 127.00 128.75 128.00 128.00 128.00 128.00 128.00 128.00 128.00 128.00 128.00 128.00 128.00 128.00
Aug Oct Turnove White 1 Paris- V Mar 151 QAS Off Oct Nov Dec Jan Apr May Jun	257.00 ir: Raw : 683 (1821) filts FFr 15, May 1 L \$/tonno Close 122.75 125.50 127.55 125.50 121.00 123.00 ir \$240 {1}	256.00 2466 (6123)) per tonne): 650, Aug 16 50, Aug 16 128.25 127.75 130.25 130.00 128.25 124.00	265.50 254.00 tots of 00 to 0ct 1680, Dec 1685 Oct 1685 123.50 127.75 125.25 129.00 127.00 128.75 128.00 127.00 128.75 128.00 127.00 128.75 128.00 128.00 128.00 128.00 128.00 128.00 128.00 128.00 128.00 128.00 128.00 128.00
Aug Oct Turnove White 1 Paris- V Mar 151 QAS Off CAS Dec Jan Apr May Jun Turnove	257.00 IT. Raw : 683 (1821) White FFr 15, May 1 L. \$/tonno Close 122.75 125.50 127.55 125.50 121.00 123.00 IF 8240 (1	256.00 2466 (6123)) per torme): 630, Aug 16 Previous 128.25 127.75 130.25 130.00 128.25 134.00	265.50 254.00 tota of 00 to 0ct 1680, Dec 1685 Oct 1685 O
Aug Oct Turnove White 1 Paris- V Mar 151 QAS Off Oct Nov Jan Feb Jan Feb Jan Feb Jan Feb Jan Feb Jan Wary Jurnove Wheat Wheat Wheat	257.00 IT. Raw 2 Set 1 (1821) IT. Raw 2 Set 1 (1821) IT. Shown 1 L. Show	256.00 2466 (6123)) per torme): 650, Aug 16 Previous 128.25 127.75 130.25 130.08 128.25 124.00 1849) lots 6 Previous 108.85 110.75	265.50 254.00 lots of 00 to 0ct 1680, Dec 1685 Oct 1685 High/Low 128.25 122.50 127.75 125.25 129.00 127.00 128.76 125.00 122.00 122.00 123.0
Aug Oct Turnove White 1 Paris - V Mar 151 Oct Nov Dec Jan Apr May Jun Turnow Whate Sep Nov	257.00 IT. Raw 2 803 (1821) Vinite FFr 15, May 1 L. \$/tomne Close 122.75 125.50 127.57 128.60 127.50 121.00 122.50 121.00 123.00 IT 3240 (1) S E/tonne Close 109.00 110.90 112.90	256.00 2466 (6123)) per termel: 630, Aug 16 830, Aug 16 126.25 127.75 130.25 130.00 128.25 124.00 1849) lots 6 110.75 110.75	265.50 254.00 tota of 00 to 0ct 1680, Dec 1683 Oct 1683 123.50 127.75 125.25 129.00 12
Aug Oct Turnove White 1 Paris- V Paris-	257.00 IT. Raw 2 Set 1 (1821) IT. Raw 2 Set 1 (1821) IT. Stromno Cose 122.75 125.50 127.50 123.00 123.00 IT. Set 1 (1821) IT.	256.00 2466 (6123)) per torme): 650, Aug 16 Previous 128.25 127.75 130.25 130.09 128.25 124.00 Pravious 108.85 112.75 112.75 112.75	265.50 254.00 tots of 00 to 0ct 1680, Dec 1683 Oct 1683 High/Low 126.75 125.25 129.00 127.05 128.76 128.30 121.00 123.00
Aug Oct Turnove White 1 Paris- 151 Paris- 151 QAS OR Dec Jan Peb Apr May Jun Turnove Wheel Sep May Jen May	257.00 IT: Raw 2 Set 1823 (1823) L \$/tonno Close 123.75 125.50 127.55 125.50 121.00 123.00 IF \$240 (1 S \$2/tonno Close 109.00 115.40 115.10	256.00 2466 (6123)) per torme): 650, Aug 16 Previous 128.25 127.75 130.25 134.00 128.25 134.00 1849) lots 6 110.75 112.75 116.40 118.10	265.50 254.00 lots of 00 to Oct 1680, Dec 1685 Oct 1685 High/Low 128.25 122.50 127.75 125.25 129.00 127.00 129.00 127.00 123.00 122.50 123.00 121.00 123.00 124.00 108.10 108.66 112.90 112.51 115.40 118.10 117.00
Aug Oct Turnove White 1 Paris- 151 Paris- 151 QAS Off Roy Oct Jan Feb Apr Jun Turnove Whate 1 Whate Sap Jan Mar Whate Sap Jan Mar May Barley	257.00 IT. Raw 2 SR3 (1821) SR3 (1821) II. S/tomno Close 122.75 125.50 127.50 128.75 128.60 128.75 129.80 129.80 110.90 110.90 110.90 115.40 115.40 115.40 Close	256.00 2466 (6123)) per torme): 650, Aug 16 Previous 128.25 130.08 128.25 134.00 Previous 108.85 110.75 112.75 112.75 112.75 112.75 112.75	265.50 254.00 lots of 00 to Oct 1680, Dec ISS Oct 1685 High/Low 128.25 122.50 127.75 125.25 129.00 127.00 128.00 128.76 128.00 128.76 128.00 128.00 123.00 121.00 123.00 High/Low 108.10 108.67 111.25 110.44 112.90 112.50 118.10 117.00 High/Low
Aug Oct Turnove White 1 Turnove White 1 Turnove Mar 151 Oct Oct Oct Oct Oct Oct Oct Oct Oct Oc	257.00 IT. Raw 2 SR3 (1821) SR3 (1821) II. S/tomno Close 122.75 125.50 127.50 128.75 128.60 128.75 129.80 129.80 110.90 110.90 110.90 115.40 115.40 115.40 Close	256.00 2466 (6123)) per tonne): 650, Aug 16 128.25 127.75 130.25 130.00 128.25 134.00 1849) Jots 6 107.75 110.75 112.75 115.75 115.75 115.75 115.75 115.75 115.75 115.75 115.75 115.75 115.10 Previous	255.50 254.00 lots of 00 to Oct 1680, Dec 1685 Oct 1685 High/Low 128.25 123.50 127.75 125.25 129.00 127.00 129.00 128.76 128.00 121.00 123.00 121.00 123.00 121.00 123.00 121.00 123.00 121.00 123.00 121.00 123.10 121.00 123.10 121.00 123.10 121.00 123.10 121.00 123.10 121.00 123.10 121.00 131.10 131.00 131.10 131.00 131.10 131.00 131.10 131.00 131.10 131.00 131.10 131.00 131.10 131.00 131.10 131.00
Aug Oct Turnove White 1 Paris- 151 Paris- 151 QAS OR QAS OR Jan Feb Apr May Jun Turnove Wheet Sep Nov Jen Mar May Barley Sep Nov	257.00 IT: Raw 2 Set 1823 (1823) L \$/tonno Close 123.75 125.50 127.55 125.50 121.00 123.00 IF \$240 (1 S \$2/tonno Close 109.00 115.40 115.10	256.00 2466 (6123)) per tonne): 650, Aug 16 128.25 127.75 130.25 130.00 128.25 134.00 1849) Jots 6 107.75 110.75 112.75 115.75 115.75 115.75 115.75 115.75 115.75 115.75 115.75 115.75 115.10 Previous	265.50 254.00 tota of 00 to 0ct 1680, Dec 1685 Oct 1685 Oct 1685 Oct 1685 122.50 127.75 125.25 129.00 127.00 129.76 128.75 125.25 129.00 127.00 129.00 129.50 123.00 121.00 123.00 125.00 125.00 125.00 125.00 125.00 125.00 125.00 125.00 125.00 125.00 125.00 125.00 105.60 111.25 110.45 110.45 104.50 104.50 104.50 104.50 104.50 109.55 104.50 109.55 109.55 109.55
Aug Oct Turnove White 1 Turnove White 1 Turnove Mar 151 Oct Oct Oct Oct Oct Oct Oct Oct Oct Oc	257.00 IT. Raw 2 Set 3 (1821) IT. Raw 2 Set 3 (1821) IT. Shown 1 L. Shown 1 125.50 127.50 128.50 129.50 121.00 123.00 IT. Set 4 IT. Shown 1 IT. Shown	256.00 2466 (6123)) per torme): 650, Aug 16 Previous 128.25 130.08 128.25 134.00 Previous 108.85 110.75 112.75 112.75 112.75 112.75 112.75	265.50 254.00 lots of 00 to Oct 1680, Dec 1685 Oct 1685 High/Low 128.25 122.50 127.75 125.25 129.00 127.00 129.00 127.00 129.00 121.00 123.00 121.00 123.00 123.00 124.00 125.00 125.00 126.76 127.50 128.10

	Copper
Previous High/Low	Cash
1060 1007 1055 1065 1080 1047	Brom E
1063 1080 1047 1063 1064 1037	Silver (
1046 1044 1020	Cash 3 monti
1042 1038 1020 1048 1040 1027	Leed II
1056 1040	Cash
5409) lots of 5 tennes	3 month
rices (US cents per pound) for daily 111.31 (114.35); . 15 day	Nickel (
111.53).	Cash
	5 month
nne)	Zinc (\$
Previous High/Low	Cash 3 monti
237.90 239.80 236.00	g irraiu
240.00	
236.20 237.00 233.40 231.00 231.40 229.00	POTATO
230.00 229.00 229.00 226.00 225.20	
	Nov
Previous High/Low	Feb Apr
268.00 260.00 256.00 252.50 251.50 251.00	May
255.00 257.50 253.50 257.00 257.50 257.00	Turnove
258.00 257.50 255.50	SOYAB
255.00 255.50 254.00	
2466 (6123) lots of 00 tonnes.	Oct
per tonne): Oct 1680, Dec 1620, 630, Aug 1635 Oct 1635	Dec Feb
830, Aug 1835 Oct 1635	Jun
	Turnove
	FREIGH
Previous High/Low	
128.25 128.25 123.50 127.75 127.75 125.25 130.25 129.00 127.00	Sep Oct
130.25 129.00 127.00	Jan
130.00 129.00 126.75 128.25 125.75 125.50	Apr
124.00 123.00 122.50 123.00 121.00	BFI
123.00	Turnovo
1849) lots of 100 tonnes	
	FRUI
	Thom
Previous High/Low	are at (45-85
	Cante
108.85 109.10 105.80	# Gala
110,75 111.25 110.40	Gala -
112.75 112.90 112.50 115.40 116.40	Victor the lis
112.75 112.90 112.50 115.40 115.40 118.10 118.10 117.00	Home Victor the 1is 30-60
112.75 112.90 112.50 115.40 115.40 118.10 118.10 117.00 Previous High/Low	Home Victor the lis 30-60 incres also r
112.75 112.90 112.50 115.40 115.40 118.10 118.10 117.00 Prévious High/Low 104.10 104.50 104.30 106.90 107.25 104.35	Home Victor the 1li 30-60 incres also r Home seaso
112.75 112.90 112.50 115.40 115.40 115.40 115.40 118.10 117.00 Previous High/Low 104.10 104.50 104.50 106.50 107.25 104.35 108.50 108.55 108.50 111.65 112.00 111.65	Home Victor the 1li 30-60 incres also r Home seaso In the
112.75 112.90 112.50 115.40 115.40 118.10 118.10 117.00 Prévious High/Low 104.10 104.50 104.30 106.90 107.25 104.35	Home Victor the 1li 30-60 incres also r Home seaso

	3 mon	3 months 652-5 659-62					
	Leed	per tonne	•)	•			
	Cash 3 mon	363-4 the 367-6		362-4 367-9	362 372/5		
und) for 15 day	Nickel	(S per toru	[4]				
-	Cash 5 mon	11800 the 10850		11800-800 11000-80	11900 11465		
	Zinc (S	per tonge)				
	Cash	1347-		1345-7	1355		
.00	3 mon	ths 1331-		1325-5	1340/		
.40 .00	POTAT	OES EACH	ne				
.00		Close	Previou	s High/Lo	w		
20	Nov	58.0	59.0	55.0			
	Feb	68.0	67.0	65.0 62.5 9			
.00	Apr May	90.3 101.8	93.3 104.5	101.0 10	0.0 1.0		
50	Turnov	er 535 41	7) lots of	40 tormes.			
.00 .50		EAH MEA					
.00		Close	Previou	. Ulabil a			
tonnes.	-						
	Oct	183.00	181.50 189.50	183.00 1	81.50		
lec 1620,	Feb	195,70	195.00	196.50 1	95.70		
	Jun 182.50 184.00 182.50 Turnover 174 (404) lots of 20 tonnes.						
	FREIG	HT FUTUR					
		Close	Previou				
.50 .25	Sep	1320 1425	1320 1440	1320 131 1438 142			
.00	Jan	1489	1500	1485 148			
.75 .50	Apr	1525 1323	1536 1335	1525 153			
.50 .50	BFI	1283	1284	1320 13			
.00	Turnov	or 294 55	(S)				
•							
•							
	FRU	V CHA TI	BOSTAN	LES			
				pes from Gr at 45-80p a			
	(45-8	5p), while	new arriv	ale include 1.50 and Ro	French		
.00 ·	Cant	slope mek	ons £1.00-	1.50 and Rooms FFVIB.	7/41		
).40 2.50				pples 28-60	p and		
	Victo	ria piums	30-55p re	main plentit	ul and		
7.00	30-60	D. Quantit	tes of bru	speks sprou	35 PLG		
	Incre	esing 20-4	Op (25-45)	p), and pare p (25-45p).	injus are		
.30	Hom	BUTOWN SW	menteorn b	at the one	k of its		
1.35 1.50	5025	on at 15-30	op per cot	(15-40p) at	nd new		
.55	king	campage 1	E-300 Co	English Ja	IN STY		

83- 87-6		362-4 367-9	362 372/366.5	362-2.5 367-6	367-8	10,587 lots
tore	Rej				Fling It	mover 990 tonn
	0-600 0-606	11800-900 11000-50	11900 11465/1080	11670-800 10650-900		6,526 lots
ппе	·) ·				Ring turn	over 10,950 tonn
347- 331-		1345-7 1326-8	1355 1340/1330	1357-8 1335-40	1331-3	Eing turnover 930 torin -11000 6,526 lots g turnover 10,950 torin 20,741 lots 20,741 lots 248 4,-249 4 251 4,-251 4 251 4,-251 4 251 4,-251 4 251 4,-251 4 251 4,-251 4 251 4,-251 4 251 4,-251 4 251 4,-251 4 251 4,-251 4 251 4,-251 4 251 251 4 251 251 4 251 251 4 251 251 4 251 251 4 251 251 4 251 251 4 251 251 4 251 251 4 251 251 4 251 251 4 251 251 4 251 251 4 251 251 4 251 251 51 51 51 51 51 51 51 51 51 51 51 51 5
Лоп	me			LONDON BU	TLION MARKET	,
14	Previou	s High/Low		Gold (fine oz)	S price	2 equivalent
-	59.0 67.0 93.3 104.5 17) lots of AL S/tonne Previous	65.0 86.0 92.5 90.0 101.0 101.0 40 tornes.		Close Opening Morning fix Attention fix Day'e high Day'e low	417 ½ 418 421 ½ 421 ½ 421.50 416.65 421 ¼ 422 ¼ 418-416 ½	251.012
00	181.50 189.50	183.00 181,	50	Coins	\$ price	E equivalent
70 60	195.00	196.50 195.1 182.50	70	Mapleleaf Britannia	429-434 429-434	
(40	Al lots of	20 tonnes.		US Engle Angel	429-434 431-436	255 4 - 258 4
UR	ES \$10/kx	iex point		Krugerrand	417-420	248 2-25012
	Previous	High/Low		New Sov. Old Sav.	99-100 ¹ 2	
	1320 1440 1500 1536 1335	1320 1315 1438 1425 1485 1485 1525 1521 1325 1311		Noble Plat	538.15-544.45	
•	1284			Silver th	20 enling	US cas equiv
58	35)			Spot	386.50	648.75

	e more
TRABLES is grapes from Greece week at 45-80p a fb v arrivate include French (1,00-1.50 and Royal), reports FFVIB, tetra apples 25-80p and ster apples 25-80p in Conference pears are (25-45p), and parentips are (25-45p), and parentips are (25-45p) and parentips are or ob (15-45p) and new	Strikes 2350 2500 2660
eek is English January D. Celery is 30-50p with greater quantities natives at 30-52p remain as last week.	2250 2350 2450

7 1085	50-11000 6,526 lets	UN.
		in
H	ing turnover 10,950 tons	TIL
		36
1331	1-3 20,741 lots	- th
		lo
ULLION 1	LAPICET	_
\$ price	£ eguivalent	- 17
417 2-41	8 2484-2494	G
421 4 -42		_
421.50	251.012 248.494	Se
421-4-42	224	Oc.
418-418	2	No
		De Fo
		Ap
\$ price	E aguityalant	Jú
		- &
429-434 420-434	256-l ₄ -258 l ₄ 253 l ₄ -258 l ₄	PL
429-434	255 4 258 4	
	257-260	_
417-420 99-100	248 ½ -250 ½ 68-56 %	Se
99-1001 ₂	59-60	Oc.
538.15-5	44.45 320,8-324.55	Ap
		Ju
		Oc.
p/fine or	z US cas equiv	_ 5%
386.50	648.75 662.20	Se
410.50	676,65	Oc No
434.50	708,30	_ De
		Jau
		Ma

LONDON METAL EXC	HANGE	TRA		PTIO
Alaminium (99.7%)	a	Hs	P	URS .
Strike price \$ tonne	Nov	Jan	Nov	Jan
2350 2500 2860	236 145 80	226 156 104	491 105 190	130 206 298
copper (Grade A)	G	dis	P	uts
2250 2350 2450	197 137 80	158 115 82	51 90 142	135 187 251

prices fell \$3 as key support levels were broken, reports Drexel Burnhai Lambert. The trade and commission houses were the best sellers. Silver and platinum prices were also lower due mostly to the sell off in gold and crude oil. Copper remained strong advancing 95 points in the December contract. In the soft commodities, coffee was sold off by commission houses losing 200 in the December contract. Sugar and cocoa trading eatured local activity with light commercial selling weakened prices on the close. The meat markets were mixed with cattle and hog prices

In the precious metal markets, gold

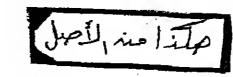
US MARKETS

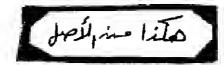
volume. The grain markets were also quiet for most of the day, until ightly lower and pork bel 42. In cotton futures, prices reverse and sank over 150 after strong gains in the previous session. Buvers turned to sellers on news that the hurricane ay not enter growing regions. Orange lice futures continued to show trade elling in near by months and buying

Yew York

	Close	Previous	High/Low	
Sep	418.5	421.3	419.0	415.0
Oct	410.8	422.7	422.5	416.8
Nov	422.3	425.3	0	0
Dec	425.0	428.0	427.8	422.0
Feb	430.5	433.6	432.6	427.7
Apr	435.9	439.1	437.3	433.7
JUN	441.4	444.5	443.0	439.5
Aug	447.1	450.A	0	- O ·
Oct	452.8	456.2	0 .	0
PLAT	NUM 60 t	roy oz; \$/bro		
	Close	Previous	High/Low	
Sep	522.1	537.0	0	6
Oct	520.1	522.0	523.0	513.6
Jan	523.6	525.B	525.0	517.0
Apr	529.1	531,3	529.0	524,0
Jkil Oct	535.6	537.8	533.0	533.0
	542.1	544.3		
SKY		oy oz cent		
	Close ·	Previous	High/Low	
Sep	646.7	648.9	647.5	641.0
Oct	549.4	651.7	0	0
Nov	654.0	656.4	0	648.6
Dec	656.5	661.0	661.5	648.6
Jan Mer	663.5	565.2 578.5	676.0	854.0
May	673.8	887.3	0,070	0
Jul	695.4	698.3	696.0	692.0
Sep	706.3	709.3	0	0
Dec	723.0	726.0	725.0	717.0
COPF	ER 25,000	lbs; cents/	be	
	Close	Previous	High/Low	
Sep	111.60	110.00	111.90	109.40
Oct	110.15	108.50	0	0
Nov	107.40	106.10	104.90	102.50
Dec	104.65	103.70	0	0
Jan	102.35	98.93	98.00	96.00
Mar Vay	97.75	93.70	94.50	93,50
kay Jui	94,45	91,23	0	0
Sep	90.05	89.20	ŏ	ŏ
Dec	87.85	86.90	66.00	85.60

CRU	DE OIL (LI	(ght) 42,000	US gells :	S/bernel	CI	ncag	O '		
_	Letest	Previous	High/Lc	w.					
Oct	15.06	15.4D	15.18	14.87	SOYA	DEANS 5.0	00 burmin;	conts/80fb b	ushel '
Nov	14.90	15.14	14.94	14.68		Close:	Previous	High/Low	- A41 2
Dec	14.80	15.06	14.82	14.58	Sep	87214	880/4	890/0	871/0.
Jen Feb	14.72	15.03	14.80	14.59	Nov	885/4.:	883/4	903/4	883/0
Mar	14.82	15.10	14,90	14.70	Mar.	894/4 901/0	902/6	913/4	· 003/4·
Apr	14.81	15.15	14:90	.14.75	May	691/0	898/8	918/4 906/0	883/0
May	14.85	15.20	15.05	14.85	Jul	881/0	888/4	897/4	879/0
नेपा नेपा	15.03 15.09	15.25	15.10 15.09	15.03 15.09	Aug	863/0,	873/0	880/0	862/0
		2,000 US g			SOYA	BEAN OIL	60,000 lbs; (cents/lb	
-			_			Close .	Previous	'High/Low	1.781 7
	Latest	Previous			Sep	25.90	28.55	26.34	25.90
Oct	4305	4407	4325	4235	Oct	25.90	26.72	26.55	25.90
Nov	4375	4434 4618	4375	4265 4360	Dec	26.45	27.20	26.98	26.40
Jan.	4475	4564	4450	4385	Jan Mar	26.77 27.32	27.47	27.28	26.75
Feb	4435	4529	4440	4385	May	27.70	27.97 28.25	27.00 28.00	27.30 27.70
Apr	4290 4125	4360 . 4269	4100	4105	Jul	-·· 27.55 -·	-50.16	28.10	27.66
May	4000	4109	4078	4000	Aug	27.75	58.00	28.00	27.75
cocc	A 10 tons	es:\$/tonne			- SOYA	BEAN MEA	4. 100 tons:	\$/ton ~~	
	Close					. Gloss .	Previous	High/Low	
		Previous	High/Lo		Seo	279.7	280,5	284.0	
Sep Dec	1109 1209	1214	1190	1180	Oct.	278.7	279.2	283.5	278.5
Mar	1162	1198	1235	1206 1179	Dec	278.7	278.7	284.0	277.0
May	1198	1215	1215	- 1197	Jun	276.7	276.7	262.5	276.0
Jul	1216	1235	1281	1215	Mar	272.7 270.0	- SEE 2	279.0	272.5
Sep Dec	1241	1250 1290	1250	1250	aul	265.5	264.0	274.0	206.5
				1202	Aug	255.7	256.5	264.0	255.0
COPP		,500fbs; cor			MAIZE	5,000 bu r	nin: cents/5	filb bushel	
	Close	Previous	High/Lo		-	Close	Previous	High/Low	
Sep Dec	124.00	124.50	124.00	121.50	Sep	282/2	286/0	206/0-	
Mar	123.66 123.01	126.60 124.24	125.75 124.75	122.40	Dec	295/4	300/4	300/0	205/0
May	123,38	123.51	123.30	122.25	Mar	300/8	305/2	305/4	300A-
البال	123.88	123.63	123.25	122.50	May	302/4	307/4	307/4	302/4
Sep Dec	124.75 122.01	123.00	0.	0 .	Sep	282/2	305/0 285/2	267/0	300/0
				0	Dec	271/0	279/12	- 274/4	270/4
on we		-11° 112.0			WHEA	T 5,000 bu	min: cents/i	Olb-bushet	
	Close	Previous	.High/Lov		-	Close	Previous	High/Low	
Oct	10.82	10.52	10.54	10.45	Sen	407/0	413/2		
Jen Mar	10:31 10:41	10.05	10.61	10.40	Sep	423/2		432/2	407/0
May	10.21	10.22	10.25	10.12	Mar	427/0	432/8	436/0	426/4
Jul Oct	10,00	10.07	10.13	10.02	Jul	405/0 370/8	410/4 377/4	413/4	404/0
Jan	9.95	9.93	9.95	9.67		2.00	4///4	376/4	200/0
COLL	W 51 000	cents/ibs			LIVE	ATTLE 404	700 /bs; cen	le/lhe	
	Close	Previous	High/Lov			Ciose .	Previous	High/Low	· · · · ·
-	54.85	56.85			Oct	70.37	70.55		
Oct '	53.51	55.61	55.60 54.55	54.85 -53.61	Dec	71.87	71.87	71.95	71.25
Mar	.60.70	55.70	54.80	53.70	Fob	72.52	72.65	72.05	72.17
May	53.95 54.35	55.95 56.35	55.00	53.95	Apr	73.97	74.07	74.15	73.60
Oct	64.00	66.50	55.50	54.40 54.00	Atig	- 70.40	70.45	70.50	72.87 70.30
Dec	54,85	56.80	55.00	54.80	360	70.50	70.80	70.50	70.50
ORAN	GE JUICE	15,000 lbs;	cents/lbs		S		0. 17		
	Close	Previous	High/Lov		LIVE	005 30.00	0 lb: cents/i	No.	
Sep	188.20	190.20	190.00	186.80	*	Close '	Pravious		
NO.	176.60	178.40 .	177,50	178.25	Oie .			Highttow	
Aen Mar	164.95	166.70 164.65	164.40	166.80	Doc	37-95 40.25	\$6.55 40.55	38.20 40.35	37.70
May .	163.95	163.50	0	164.00	Feb	43.00	48.52	43.15	42.70
luf	162.95 161.95	162,50 161,80	0	0	Apr	47.80	42,71	42.90	
Sep	101.89	.91.00	0	0	Jul	48.00	48.05	47.72 48.25	₹7.50 47.95
BIDA	CHES			 .	Aug.	45.80	45.40	46.60	(0.85);
REUT	ERS (Bes	e: Septemb	er 18 .193	= 100)			wit was	•	
-		6 Sept 13			PORK		3,000 lbs; cl	mte/ib -	
	1885.0	1871.3	1675.1	1655.3				High/Low	***************************************
DOW		lese: Dec. S			Feb	48.72			
_					. Mar "	48,97	49.30	48.90 - 49.16	47.55
Spot	134.63 56. 137.95	134,02	131.10	128.26	May	50.75	80.25	50.80	46.12 48.70
				141.023	Aug	-10	OLUZ	S1:50	30.52
							49.77	.50.20	49.00





WORLD STOCK MARKETS

aptember 15 Sch		FRANCE			CERTAINLY (continued)		RETHERLANDS (continu		SWEDEN (confidence)	
	+ 80-	September 15	fra.	+#-	September 15 Day.	+ 07 -	September 15 Fig.	+ 97 -	September 15 Krime	+ 17 -
refluetal))+15 T	Accor	444	LIO.	Hoechst	T	Ned Mid Bank 192.0			
sterunfall 11 620	I I	Air Line	弱。	15. 15. 15. 15. 15. 15. 15. 15. 15. 15.	Horset 153.8	406	Netflord		CVERCOM 1116	냂
ancherolane 17454	=	Altate	2.010	-29	Holzegen (P)	16	Netflicyd 223.0 Oc: Grintes 258.0		Se Koopart' g A Free 319 Seta Cell'sa B (Free 360	11
20070702K 385		36	75	142	Hortza	H3.	l Conmerces (Van)	103	Sviza Cell'sa B (Free) _ 360	
terimocate 637	-15	Baccaice Cie	. مهجرا	Fig	Karstadt	10.2	Paidset 82 10	40.3 40.1	Sviza Handelshe	1
terr-Datmler 84		ENP (Certain)	784 5-240 454 271 2-599	7 11	Karstadt	+5 +4.2 +4.9 +4.0 -2 +5.7 -2.5	Philips 32.80 Robeco 93.50	10.2	1900 0 01004. 134	1-1
		Bengrale	2599	H	KHD 136.5	-63	Redamen	0 104		
ELETUM/LOXEMBOURS		Bearing	1446	+38	Viscolary Winds	+1.9	Redience 150.9 Relience 88.70 Rorenta 58.10	0 +0.4 +0.4 +0.2 0 +5 0 +0.9 -0.1 -0.3 -0.7	SWITZERLAND	
eptumber 15 Frs.	+ 84 -		2,520	+38	Unde 590	+30	Rorento 58.10	18,2		_
B1 15/40	 -	Club Mediterrante	<u> 93</u>	₩ .	Letthanta (143	⊦ ≩_	Kogai Datch	0 1 5 ·	September 15 Frs.	+ 97 -
B.L 2,600 angue Con, Bu, List 13,950 ank Intl. a List 13,150	I I	CCE	2545 1245 1245 1245 225	- E	MAN 209.5 Marriagnan 175.8	1422	Unilever 114.9	0 140.7	Adia Inti	+125
seque Cos. Do. List . 13,955 pok boll, a Lim		Doesert		+20	Maragram 173.8 Maragram 563	L94	VMF Stark 21.60 VNU 90.70	104	Alequiese	+125
kaert 6	-25	Dames	1.70	4	1 Marca 110-045 1335		Wespines		Bank Let 2,900 Brown Boveri 2,225	
MESIL COR		Ema (Cle Gee)	1.465	42	Marrie Buck	1=	Wespanes 75.50 Workers Klasser 151.3	a 1-07	Cita Seigr	450 450 450 450 450 450 450
ckall	42	EX-Acidizine	323	H3_	i Madert . 1438 2	34				1420
high	14120	Ester	2.525	143 143 143 143 143 143 143 143 143 143	Person 532	16 11.5 -6.5			Credit Suisse	130
tes	상추천홍중(학교 학교 등 등	File, de Suez Cite	凞	h 2 .	Pressure	H1.5	NORWAY		Elektrowatt	250
stricus list 976		Haras	756 572 226.2	13	Rhelp West Elect 234.5	120			Figher (Gen)	110
1 1000 RM 11 220	Car :	timetal	226 2	Co a	Rosenthal 248 Schering 529	1 -	September 15 Krope	F + 8F -	Hoff-Rocke (Prices) 121, 75 Hoff-Rocke I (10 12, 300 Inspectorate Int 2, 175 Jacobs Suchard 7, 405	0 +1,750 +275
Killennik	Car.	LVNIH	骁	-315	Slement 479	+1 +0.1 +2 +2.2 +2.2 -1.3 -2 +2.2	Aber	. 3	Hoff-Rocke 1/10 [12,300	+275
serate Sank	ا مُنا	Lafaret Cotons	1.378	13	Thomas 1157 1	liā1	ISergers Bank		inspectorate int 2.175	1+10
Waert	86	Lafaret Coppus	344	· -30	Varta 292	142	Bergesen B	i	Jacobs Suchard 7,405	140
sbaker	170	Legrand	3,050		Veta 261.6	+2.2	Constanta Br 1020	- سيرا ه	Jelmoli 2,840 Landis and Gyr 1,250	1.20
Jercom	145	Military Physics		+1	V.E.W 158 Versia-Wess 338	<u> -1</u> 3	Des Norsie Credit 86.00 Ellent	. 1.2.	Nestie	1365
eron 3,570 refetkank 3,900 in Holdings 12,900 strofins 13,025	l-20 - I	Matra S.A.	3 (50) 68 185 204	13	Varits 292 Vets 261.6 V.E.W. 158 Versiko-Werg 338 Volksimpan 261	1.3	Ellient 137.5 Halstynd 450.0	1.55	1 One British	20
trolica	L = 1	Alidi (Cle)	io:			HK,	Kosmos	140.5	Pargesa Hilds	1-5
Officeria Tirle 12.440	120 120 130	Moulines	113	45.55.72 1.05.72 1.05.72			Kraerver	135	(Piesi	10 10 10 10 10 10 10 10 10 10 10 10 10 1
vale Belge	136	Mond Est	108	13	ITALY	•	Norsk Data		Sandez (Br)	+250
yale Belge		Parihas	421 1,048	ß	September 15 Lire	+ 87 -	Norsk Hydro 207.0 Orkia Bonegaard 190.0 Storebrand 31.00	1445 1445 1445	Do. (PtCts) 1,935	15
fles 12,325	瓷	Person library	1,040	+53	Basea Com'le 2.580	H50	Orkiz Bonegaard 180.0	+ <u>2</u>	Do. (PtCts) 719 Sita 780	
Nay	H625	Perrier	105	+31	Bartani (BAC 1976	3-	Storebrand 31.00	1-2	Servelliance 4,860	+10
anrick lett		Printenses Au	1,240	H	CIR 5,775	Lis			Sudecair	145
americk ledd	+76 +280 -10	Rationer	**	ナイクのないというない	Credito Italiano 1,195	#15 #29 #106			Series Bank	45 43
9,300 agent Like	Cia I	Ratiotech	280	-io	Fiet 7,240	+100	SPAIN .		Swiss Relesce	1450
		Rougal-Ucial	705 2.860 1.75 394 1.008 4.201 1.008	+37	General Assicur 191,900	4840 42,100	September 15 Pts.%	+ 97 -	Swiss Volkstik 1,660	
NMARK		St. Gottale	325	-3	Montalism 111 400	15,000	Alexar		Unice Bank	+10
ptumber 15 Kr	+ # -	Serious	394	-1 .	Onetti	Liés	Basco Bilbao	-5	Zarich iss	+100
		Skig Ressional	4.201		Pirelii Co	144 144 144 144 144 144 144 144 144 144	Banco Bilibno	-		
kica Hides	104 427 425 425	Thomson (CS/F)	107	3 '		+14	(Bacco Exterior (451	+10	1	
Hendelshank	412 I	Total-Petroles Fr	22	143		+69	Bacco Kispano 770	110	SOUTH AFROCA .	
Saidenfab	H0.7	Vales	566	145	Sale BPD 2,340	110	Banco Popular		Sextember 15 Rand	+ 87 -
P Darcke Bank 346.3	H25	The second of the	·. ·		Toru Assicur	Coio.	Banco Vizcaya 1.055	15		+ -
7 Holding	14. I						Banesto	-	Abertoen	+0.4
S. B. Systems Legal s	156				HETHER ANDS		Ranco Vizzaya 1.055 Banesto 1.015 Dragados 409,7 Vidrota 95	+7.2	Affled Took	
7 Holding 195 S. 8 Systems 658.5 to that 415.2 to that 2562.3 to that 239.7	끏						Hidrota 95 berduero 130.2	H1 .	Annin Am Coal	0.5 40.35 40.45
eo lask		CEPHANY			September 15 Fis.	+ 07-	Petroleos (Cla Esp) 475.5	475	Anglo Am Coal	+0.35
vetheries 239.7	1	Statumber 15	_	+ 97 -	ACF Holding 48.20		Petroleos (Cia Esp) 475.5 Telefonica 183	17.5	Auglo Am Corp 51.75 Anglo Am Gold 250 Barlow Rand 21	12
December 780,3					AFEON	+0.2			Barlow Rand	140.45
)	Allbar AC	292.7 1643.5 268 299.3 348.8 505.5 344.5 433.5 \$12	-03 -135	Almid 85.00 Al220 144.80 ABM 42.90 ALMEV 50.90 ALMEV 50.90 ALMEV 107.00	123 123 123 123 123 123 123 123 123 123			Berfels 52.5 CHA Carlio 53.5 CARA Carlio 32 De Brers 38.65 Oriefontain 31.5 First Hal. Bank 14.5	+1.5
CANO		BASE	268	123	ARM 144.80	CAT	SWEDEN		Currie Figures	+0.15 +0.65 +0.5
	+=-	Dec	299.3	404	AMEV 50.90	+0.2			De Beers 38.65	10.65
		Bayer-Hype	348.8	245 45 45 45 45 45 45 45 45 45 45 45 45 4	ASARO	+0.2	September 15 Krene	+ 00 -	Oriefortein	10.5
er 194.5 nish Sander 60.5	F0.5	CMW	505.5	-35	Borsenij Weley 107.00 Borsenij Weley 53.00	+1.5	AGA B (Free) 193		First Mar. Bank	-O.I
nkh Swar	AT .	Baser-Verein Billi-Bask Brown Boveri	75.	10.5	Problemann.Tell 153.00		Alfa-Linei 8 (Free) 380 Asea B (Free) 351 Astra B (Free) 188		Free State Constitute _ 12/_1	
	+13	DRY-GREE	4072	35	DOMESTIC PRINCES . 1215.00	45 -08 -05 +01 +15 -06	Ases B (Free)	15	Gold Fields SA	+0.I
Part of the same of the same	0.95	Ottomorrhant	275	134	Elsenier Hou	10 E	Astra B (Free) 188 Atlas Cooco A (Free) 213	-2	Highweid Steel 6.4 Maicor Hidgs 18.5	
244.5 120.5 153	\$235 <u>7</u>	Consumerabank	26 26 45		Folker 32.50 Cits Brocaius 36.00 Hologoness 141.00 Hoogoness 61.90	101	Atlas Copco A (Free) 213 Electrolius B (Free) 240	44.	I MARKET	+0.3
Ticse	423	Dalmier-Beez	45	411	Helesker	1415	Electroinx B (Free)	Hi	OK Barraes	
120.5 153 John W 78.5	-0.5	Demogra	3612	11.3	Hoogavens	-0.6	Froits R (Free)	-6	174	40.25 40.25 40.5
jota 16 78.5	+120	Destsche Bahcock	1745 -		Renter Douglas (69.50		Ma Och Dom 8 Free _ 390 Pharmacia B (Free) _ 149		Rest Plat	+0.25
ma-Papping 37,05	0.2	Deutsche Bank	510 272.4	45	THE College 119 AG			· 14	Safgrarine & Ren 19.75 Sage Holdings	+0.5
187 - 187 - 187	276.9-	Principle Mark	2723	192	let Mariles 62.50	-0.5 -0.2	Sash-Scania 6 Free 193	+2	Smith (C.C) 38.25	
		Compense pense	780 4645 5345	4	hat Mariler 62.50 KLM 35.20 Klef 170.5		Sandrik B (Free) 256 Skandia (Free) 148 Skandia bet 156	-1	Smith (C.G)	+0.35
4 Page Pri. 1116 8					7-W	·	Standia (Free)	1.0		70
Pager Pol. 116.5	C	Herital	534.5	44.5	Nat. Ned Cot	-01-	Skandia bet/	Le	Tongust Hulett	

optember 14	Yes	+ 85	September 14	Yes + sr -	- September 14	Yen	+ er -	September 14 Year	+ 85 -	September 15	Addis + or -
Li Migron Air	2,990 1,710	-30 -30 -10	J4400	1,790 1-30	Mippor Li Metel	1,850	**********	Teliolu Off	49 15 0 -20 0 -20 0 -10 10	Klaston Gold	3.14 -0.01 13.90 +0.1 1.82 +0.07
Ul Hippon Air	1,710	-30	Kaliere	1.420	Elippor Ment Pack	.] 1,850	⊢5 0	Telkoku 00	_ H5	Lead Leave	13.90 40.1
lips Dectric	1,700	F-30	Kalen Phores	13.750 1-00	Migron Mining	1,180	1-12	Total Messyo Kyo 1.80	ū 1∓0	MIM	1.82 +0.07
يسيسيسي والتلاق	1.210	1-10	Kareke	204	Missian Off	200 يار.	1-30		0 1-20	Mayne Hickess	7.18 +0.08 7.02 +0.22 10.15 +0.15
lanano	1,540	+30	Kategrafychi Cher	922	Misson Road	1,160 691	120	Tokal Bank 25,6	OD 1-500	Mat.Aust. Back	7.02 +0.22 10.15 +0.15
lado Construct	2.250	+15 -10	Kings Shet Poor	2,000	I Hippon Sales	1991	12	Tokal Bank	o Hő	Hens	1012 4012
Laritsa		-10 -	Palet	625	Mispon Selko	790 813	13	Tokal Curbon 580 Tokio Marine 1.87	, P10	North Bion Hill	270 -0.05
loki Corp	230	F2_	Kan Corp Kankiyawa	1,740 110	Nipport Shitten	1.090	Cia	Tolon B'cattles 268	6 (m	Caldelden	
rabias ôfi gald Chemitals	5,780	10 10 10 10	Cashiyana	1,740	Ripper Steel	763	137	Tokyo B'casting	. Cin	Pacific Design	4.43 +0.06
cabi Circinicato	1.020	-10	Kanadi licay	654 14	Minute Colene	726	154	Tokya Electron 2,90	i Lin	Paneoot'l	4.43 +0.06 1.58 +0.06
trapi Kylon	Lian	LTG.	Katemani Stref	1779 1107	Hippon TV	748 23,400	11700	Tokyo Gas	n 1.56	Pinneer Comb	3.01 -0.01
			Kildenson Shape			770	+30	Tokyo Gas	ă 1-10	Placer Pacific	210
lank Telyo	1,540	-50 -10 +5	Klaki Elect	2.500	. I Michigania Cital """	.1746	11	Tokyo Street	720 - 120 -	Poseldon	200 +0.1
lange Phares	1.460 1.290	30	Kirle Browny Koke Steel Kolto Mifg		Missan Motor	1.280	+30 -10 -10	Tolgo Style	O #10	Queensland Coal	115 LAM
tridgestone	76	Cr	Major Mile	3,330	Nissel Sargeo	1,60	1-10	Tokya Car	0	Sartos	3.80 +0.02
	1.300	1	Kotupe	73 140 . THERE	Nissbir Flour	1/60	Hio	Tokyu Curp	+10		4.65 +0.1
arbis Food		-50	Cities wheat	755	Missis 00	926	-10	Tokya Land	+30	Thes Naturide	4.65 10.1
anon Sales	1 440 3 100		Konka	1.536	Histin Food	1,400 3,350 628	+10	Topped Print 1,91	o 1÷10	Tooth	9.10 2.50 -0.1
acin Descender	1 520	1	Korskien Stadien	3,610	Nhio Boseld	12,200	Cião	Toray 870 Toshiba Elect 1.11	H	Western Mining	5.28 +0.06
antered Class.	707	44	Keliota	1777 1929	Nominal	3400	C54	Toshiba Mackinery 645		Westnic	610 1012
entral Class Nyola Class Jobs Elect Pair	707 834	+50	Katagai Cumi	1.000	Horitake	3,400	-180 -12 -30 +10	Toth Machinery 645	n	Woodside Petral	1.60 +0.02
Pobe Elect Part	3.000		Keray	1.300				Torre Construct 695	-10	Woolwarths	1.60 +0.02 3.60 +0.12
hous Pharts	1,620	+10	Keete Chested	1.060	Odakyu Elec Riy	1,120	+10	Town left	-5		1.65 -0.05
Itizen Wasch	927	I-12	Kysters	5500		911		Toyo Rabber 654	-5		
lated Chemical	614	H10.	Kyole Ctranic	1536	Oil Paper	1,420	-10	Toro Selizat	0 +20 +7 0 -10	HONG KONG	
teldo Stort	675	5			Olmera Mach	1140		Toyo Soda	+7		MKS +er-
السينسين اعلقا	2,120	190	Lien	11,060 1	Chambra-Comi		-10	Toyota Motor 12,59	0 -30		
le) Ichi Kas Bank l	2,850	1+10	Manda Comitatt	13.298 - Mail	Olympus	1.120	+20	Luncius I	Le.	Bank East Asia	16.30 -0.1
alkin feds pikyo Kanto ,	1,130	-20	Making Selling '	OLO . LUID	Onoda Cement	990	43	USE lads	13	Cathy Pacific	8.46
ulkyo Karbo ,	2,600	P	Maribes	1.700 1-10	One Pharm	5 650	-150	Unitika	1-3	Cheang Kong	7.05 -0.15
Taly Pool Inc	780	+10	Maruberi	1100	Orient Figurer	5,650 1,330		Victor	l-16	China Light	15.50 -0.1
al Nippen Ptg	2,630		Manual Food		Orlean Leasing	3,210 620		4474 "	, , ,,,,	Evergo	0.49 -0.01 4.87 +0.07
laishewa Paper	2,000 2,030	-96 +60	Marel	2,900	. Osaka Gas	620	1-4	Warral	1	Hang Ling	
lahwa Sec	2.200		ME	2,600	Penta Boren Con	852	La		-	Henderson Land	4.85
cos/s	1200	-20	Mateu Elect. Wits	1,910	Ploneer .	3.660	-3 -10	Yamaha		Hongkong China	4.85 15.80
our Mining ,	646	-14	Marda Motors	1,076				Yamaichi Sec	1 (+20	HK Flectric	715 -0.05
			Meig Mark	1000		917	-14	Yamaoootbi 4,210	720	HK Land	79A Lnns
	2,030		Market	2,600 1,910 707 1,676 1,676 1,676 1,676	Ricoh	1,260 2,500	+10	Yamatake H'ywell 1,950 Yamato Trans 1,550	+20	HK Shanghal Bank HK Shanghal Hotels	5.95 -0.05
	1230	150 -30 110	Minotes Camera	747. 42	Royal Co		10000	Yamato Trans		HIC Shanghal Hotels	6.70 I
	5.040	60	Millione House	1.468 - 20 2.860 -10	Saido	2,110	+20	Yasuda Fire	+10	HK Telecomus,	5.25 +0.05 8.20
of Real	im .	20 X	M'bishi Bank	Z260 -10	Samuel	1,360	-40 -30 -40	Vacadrama Flort		Indust Equity P	1120 -01
Electric 3		34	M bight Chem	1.000 10	Same Back	4100	-30	Yokohanta Rubber 1869		Jardiac Matk	1280 03
File	3.530	-20	M Digit Elec	1.070: 1-30		2,360 715		Yoshitogal Pharm 1.300	-30	Hew World Der	70/0
a) Bank d Electric in a d Files d Heavy lad	807	#20 -50 -70	M'bishi Estate	2,320 +10	Samo Elect	1710	+10	Yasa Battary	H30	SHK Props	10.30 -0.1
alikura Cable i	1.290	+20	M Midd Car Chart		Secure	6,010	TIO OIT			1 Shell Flec Mfg i	107 1
ukawa	1.820	-60 _	Mill	736 -9	Selva Stores	2,080		AUSTRALIA		Swire PacA	16.90 -0.3 12.60
1415H	1,750	-30	Wolshi Metal	DEL LIE	Sekisul Chem	1 200	+10	September 15 Austi	+ 87 ***	TV-B	12.80
Manual Company of the contract of	822	+13	M' Mark Mile Cost	740 - 18	Setrical House	1.710 1.160	+10				7.85 9.00 -0.05
reen Cross	1,050	-30 -15	Market Cill	1.350 . 1-70	Settsu Paperheard	1,160	+10	A.F.P. 1.08 Adetaide Storms 7,80	+0.3	Wisser lad	3.70
	775	-15	M bishi Paper	1,100 -10	Seven Elever	7,200	-20	Amoor	m +0.04	Motes and trade	שאים היינב
	1 120	120	M'biski Petchem	746 -16 746 +2 644 +1 2,790 -70	Sharp	1,110	-10	Ariadot Aust	-0,01	STREAPORE	
	1.140	4000	M'bishi Plantics	740 12	Skinka Construct	1,030		Advino	+0.05	4-1	
	2,020	1000	Market Rayon	444 +1 2,790 -30 1,610 +46 2,210 -30 205 +14	Shin-Eiss Chem	1.780	+40 +20	ANZ Gross	+0.16	September 15	\$\$ + er -
	1,500	-20	M bisti Tst	4/30 EM	Shienogi	1.770	120	Aest Nat Inds	+0.02	Boostead Hidgs	1.40
leg Motors	878	200	Mittel Back	1610 HA 2210 -30	Shows Alexandrian	1,700 815	43	8.14 8HP Gold	+0.1	Cerebos Pacific	6.05 140.05
krose Electris	1 740	-10	Militari Co.	200 Lie	Shows Denko	871	+3 +21		+0.05	Cold Storage	4.70 +0.04
tachi Cable	5,000 1,740 1,030	-400	Mikrai Minimu	1770 L.7	Snow Brand Milk	3,250		Bell Group 2.05 Bell Resources 12.63	HUGS	DBS	800
tachi Credit	1.400	- 200	Alltrad Patriage	1,340 10	Sory	6.750	+10	Bell Resources	+0.05	Fraser & Neure	7.55 m +0.05
tacki Maneli	1,480 2,300 1,098	400	Midwel Real Estate	2.450 +10	Stapley Electric	1,020	-70	Bonf Corp Bldgs 2.10 Boral 4.82	H0.03	Gentlag	130
rachi Metals	1,096	4	Milital Tolkin	840 +25	Supitomp & Hee	830	H <u>.</u> I	Boral 482 B'ville Copper 330 Brambles Inds 10.4	10.05	Haw Par Bros	262 -001 6.40 -0.05
made	2.130		Witness Agreement	316	Semitomo Rank	3.220 611	F20 1	Brambles Inds 10.45	140.15	Hong Leong Fla	646
pastru Paper	768	The state of		1,780 +10	Sumitorio Clera	360	-1	Bridge OR	HQ.D4	Kenne Corn	2.74 +0.03
oute Food lof	2000	100	Micogal Elect	1060	- Sumitono Corp	1,030	10	Barris Philip	1-0.02	Keppel Corp	484 -0.06
			Microsoft Planes	4,540	Sumitono Elect	1410	문 타 등 등 등 등 등 등 등 등 등 등 등 등 등 등 등 등 등 등 등	Bridge OR 0.88 Barres Philip 3.35 CRA 8.64	+0.14	Malayan Utd Ind	2.46 1+0.01
d Bark Japan	1,700.	-20 -10	Market Market	1060 1320 4540	Smaltone Rease	815	L. 1	CSR 14.75	+0.1	Mark Parage	BA7 I
di Bark Japan	3,230 2,240	-10	Morlanga Milk	2710	Sunitomo Reary	1,140	1+io	Chase Corp0,87	-0.03	0CBC	700
					1 Santituete Mat fo	630 1,510	+15	Coles Myer	+0.01	OUB	3.36
Hura Saugro	L110	+10 -	MEC	2.010	Sunitamo Met Meg	1,310	-20	Coles Myer	40.15 +0.04	Public Bank	1.22
au Motors		+12	MCK Spork Plag	F	Somitomo Realty	1,320 2,700	1958483 1958483	Consolidated Pet 4.20	10.01	Sime Darty	3.08 +0.04 11.40 +0.1
	778	AIR.	MWW Page	光 區	Samitoney Tr & Bit	2,700	H60 }	Contrain Auct 13.80		Singapore Air	
onges Fpods	i do	+18 +30 -20	MTN Tone Brd		Separa Maior			Dute Gross	-0.01 +0.09	Strafts Trading	2 70
Yokada	C030	-24	Michael Company	深 🗓	1 TOK	4,730 942	i–70 i	Elders DOL 3.37	+0.09	Tat Lee Bank	298 +0.03
atsa Electric	112	-16	Milegra Fee	20 1	Taisei Corp	942	70 42 -10	Gen Prop Trust 2.75		U08	2.96 +0.03
EO1 L'	1,060	-10	HTNT Free Bry	L708. 1:50	Takho Marine	2,000	-10 <u>.</u> {	Gen Prop Trust	+0.03		
1	1.500	-10 -286 +36	Histor Corp	1960	Taisho Phores	2,000	-20	Goodman Fielder 2.44	+0.06	Horse Division of	***************************************
pae Radio	1,470	+36	Hilton Corp. Hippon Dento Hippon Conts Hippon Conts Hippon Hippon Hippon Hippon	7-200 IIII	Taigo Fishery Taigo Kobe Sank Takara Shata Tainan	530 1,370 880 2,670		Hardle (J)	2555 2555 2555 2555 2555 2555 2555 255	MOTES - Prices on this p	are are as quoted on
DOWN Steel Wilds	120 140		Inhibitory Collector	1.400	Taken Show	73/0	150	Hartogeo Energy 1.45	TA ES	the infinitial exchanges prices, to unwallable, #	Desilier Control
			1000 Carre 1000	3.33	Talanda	2 670	20	ICT Aust 7.32 ladestrial Equity 7.60	- 1000	nd Ex divident. at Experi	PARTY SEPTIMES
use Snoth Ribr	1,000		CARL DAY	100	The same of the same of	2.070	!		10.01	THE RESERVE AND ADDRESS OF THE PARTY.	Annual In Column

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VEW YO	RK		ຄດາ	N JO	NES				<u> </u>	Sept	Sept	Sest	Sept	19	-
4544.14		Ser	See	Se		<u></u>	Since co	mplitation		15	34	15	12	High	Low
	5ep	15	12	,	Mah	1 - 2.00v	High	Los	AUSTRALIA	-	-				
industrials	2700.44	2053.04	2072.57	2068 11	213841	1879.14	2722.02	41.22	All Ordinaries CL/1/800	1567.9 729.2	1549.5 718.5	1530.6	15172 1975	1657.8 (9) 847.8 (9)(8)	1170.7 CD 532.4 CD
one Sads	30.57	88.88	20.94	38,70	91.25	20/D	GS(6)871	201520	AISTRIA						
	875.30	671.57	867.64	475.81	37	- 22 5-	120L16	1232	Credit Akties (30/22/84	200.6	200.3	200.0	199.3	200.6 (15/9)	163.98 (1)
###d	179,82	178.76	176.52	179.94	65/7) 250,02 25/11	(A)) (2)(1) (2)(2) (2)(2)	1301_16 0.476(87) 227_183 022/1/87)	67/32 10.50 644/32	BELGIUM Brussels SE (1/1/84)	5068.3	5035.6	5007.8	4997.7	5068.3 (15/9)	3608.35(4
Day's Righ Zilled	(2000 H) (or 20	79.13 (2)	65.30	272	-	1.422.000		DEHMARK Copenhagen SE CV/1/629	221.26	220.56	- 220.18	220.54	227.86 (3/8)	180.68 (4
TANDARD ARD PO	260.31	207.65	264.47	266.84	275.64	202.63	306.77	1.40 1.6532)	FINLAND Velta: General (1975)	714.4	7116	7118	713.9	772.1 (5/8)	590.6 (35)
destrials	301.31	306.95	305.75	305.97	118.54	77	38.77 (2.80.67) 38.17	3.02	FRANCE		7248	7220	1201		2234
handals	25.80	25.74	25.70	25.76	12.50 12.50	265 E	25/8/87) 25/8/87)	02116/320 8.64 0.020/740	CAC General (31/12/82) led. Textispee(31/12/87)	138.4	359.2 138.9	354.0 136.1	351.5 134.4	368.5 (B/7) 138.9 (14/9)	251.3 (29) 89.7 (29)
YSE Compethe	152.13	151,15	150.63	72004	153.35	13.73	107.99	(25/4/42)	GERMANY FAZ Alcien GL/12/500	504.08	10044	A05.58	495.24	506.08 (1579)	396.40 (29
mes bild. Yahar	290.35	296.79	296.67	297:46	2216) 397.33 10%		125/8/87) 3/5.01 (13/8/87) 4/5.28	(25,442) 29,51 (4)121729 54,61	Commerciant (1/12/33)	1539.4	3044 1247	499.59 1520.3 1206.72	1506.6 1207.18	1539.4 05/9 1228.11 05/9	1207.9 29
ISTANÇ CITÇ COMP	303,34	30.78	302.67	367.00	9077	333	455.28 (2538.67)	54,87	HOME KOME		12201	1200.72	20,20		01.10 (2.
		- C	12	Aug 1	9 4	9 12	year ago (Hang Song Bank (SU/7)640	2474.08	248L57	2073.50	248.94	2772.53 (12/7)	2223.56 @
ow industrial Silv	Yield		71	3.7		1.73	2.6		ITALY Basca Com, Ital. (1972)	522.77	519.73	528.20	516.19	56.07 03/39	423,92 (5
	- :	- 5	9.7	Ave		17		approx.)	JAPAN**						
& P industrial di & P P/E millo	, yield .	ú	.60	13.5	1	3.57	- 24	žó	White 0.6/5/49)	6	27805.67 2146.73	2774.16 2147.38	27756,74 2139,20	28423.38 5/60 2253.10 (2/6)	21217.04 (4 1690.44 (4
RADING ACTIVITY			t Velon	. 1			W YERK		NETHERLANDS		-				
Arbitim Landson L	- · · <u>-</u>	Obest .		-		- 30			AMP-CBS General (1970) AMP-CBS Industrial (1970)	270.2 226.1	268.2	2673 2243	267.3 224.6	284.8 (外間) 234.3 (外部)	205.7 (4) 157.9 (1)
Sec	M. 3	013	Sep 12		mari Frantisi Mari manani Mari		8 772	405	MORWAY	200.0	22.0	22.3			23.74
w York 17	7.20 9.525	162.490 7.841	17402		-		93 441 98 544 16 14	525	ON SEW USB	371.66	3DL25	368,49	347.26	425.462円	327.78.22
TE	2,056 2,056	41.12 1	5.95 82.50		Hear Lights		13 4	12	SINGAPORE Straits Times Incl. (30)12/66)	1070.82	1067.52	1062.98	1065.45	1177.97 (8/8)	833,6060
.						-			SOUTH AFRICA	10/0.02	1007.52	100270	100.45		-
NGAMA:	1 54	1 5	• 1	.	🛥 🎼		1988		JSE GOIG (28/9/78)	1222.04 1670.04	1212.0 1650.0	1220.0 1666.0	1219.0 1663.0	1451,0 (7)77 1758,0 (20)73	1154.0 (4
PROPERTY .	1	1	5 7	12	•	Mak.	100	Line	JSE locustrial (28/9/16)	10/U.UP	10003	10000	100%	2344 243	
rtais & Minerals	- 2	3.0 2	117		27156	3224.5 G77	722	8.7 (8/2) 7.9 (8/2)	Madrid SE (30/12/85)	278.20	. 276.18	275.11	275.93	301.63 (25/6)	225.56 (4
ONTREAL Pactfolio						75.71 51		OL C27/23	SWEDEN Jacobson & P. C31/12/561	3022 10	3023.70	3029.40	3028.40	3312.90 5/80	21,48,5 (4
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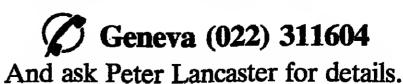
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FINANCIAL TIMES

Dow and bonds retreat to a narrow trading range

Wall Street

EQUITIES and bonds fell back into a narrow trading range yesterday after the mild boost received by Wednesday's news of a sharply reduced US trade deficit in July, writes Jonet Bush in New York.

At 2 pm, the Dow Jones Industrial Average stood virtually unchanged from Wednesday's close. It stood 0.36 higher at 2,101.00 and volume was only modest at about 90m shares by midsession. US government bonds were

marginally weaker at the short end of the yield curve during morning trading, while looger maturities stood around # point higher. However, prices slipped along the yield curve as the session wore on and were quoted a point lower, in spite of some mildly encouraging economic statistics. The yield on the Treasury's 30-year benchmark issue rose to 8.97

There were two key eco-

revised down to a gain of 0.1 per cent. Bonds rose modestly in reaction to the figures, which were weaker than fore-casts which had predicted a slight rise in sales during August. However, bonds later dipped back.
The Federal Reserva said

that industry was operating at 83.7 per cent of capacity in August compared with 83.6 per cent in July and 83.0 per cent

in June.

While the 2,100 level on the Dow Jones Industrial Average does not have any particular technical significance, it does exert influence on investor psychology. The Dow hugged 2,100 tightly throughout tha

whole morning session. Nevertheless, there was plenty of corporate news to trigger large movements in individual share prices.

One of the higgest movers was Hospital Corporation of America which jumped \$6% to \$43% on news that a management group is to propose a leveraged buy-out of the comnomic releases. US retail sales pany at about \$47 a share or fell 0.2 per cent last month and \$3.33hn. two other hospital management groups moved into the ranks of the most heavily traded stocks on the New York Stock Exchange. National Medical Enterprises rose \$1% to \$21% and Amer Medical International gained \$% to \$16%.

Another featured stock was

Zayre, which said it had agreed to sell its discount store division to Ames Department Stores for \$300m in cash and preferred stock. Zayre added \$1% to \$24% while Ames fell

Bearings rose \$114 to \$35 after the company said its board had authorised the repurchase of up to 12 per cent of its common stock.
Actmedia slumped \$3% to \$11% in over-the-counter trading on concern that the man-agement group that plans a

\$16-a-share takeover of the offer may not be able to get its Pacific Scientific, the manu-facturer of electrical instruments, rose \$1% to \$13% after Shufro, Rose & Ehrman, an investment company, said it

had acquired a 20.9 per cent

NYSE Volume 2 e 7 a 12 13 14

stake and would hold talks to sell at a premium over the current open market price.

Canada

FALLS by gold, base metal and energy issues dragged Toronto down in moderate trading at

The composite index fell 5.6 to 3,270.9 in voluma of 13m

Most leading Canadian hanks said they had increased prime leading rates by % per-centage point to 11% per cent. Bank of Montreal lost C\$% to C\$28¼ and Bank of Nova Scotia firmed C\$1/4 to C\$15.

Gains sustained in calmer session

TRADING was calmer in Europe yesterday after Wednesday's excitement, but the US July trade figures and Wall Street's reaction supported prices, while specula-tive activity continued, writes

FRANKFURT beld onto its gains of the past two days despite a lack of foilow-through buying and some profit-taking. The FAZ index pushed ahead by 1.44 to 506.08 and the DAX closed 3.40 up at 1,228.11. Volume also held up

The Geneva and Basle stock exchanges have decided to extend their trading hours from November 7, following a similar decision earlier this week hy the Zurich bourse, Swltzerland's leading exchange, writes John Wicks in

The Basle exchange is to put pre-market trading forward from 9.30 am to 9.10 am, with repeats at 11.30 am and 1.15 pm. Main trading of Swiss equities will be moved forward to 9.30 am from 10 am and continue until at least 1.15 pm, with husiness in the unlisted roche equities starting at 9.25 am. No details are yet avail-

able from Geneva. Basle is the first European bourse to open trading in North American shares every day, something which will continue to start at 10 am. It is understood that Basle's premarket business will open for its first session of the day before that in Geneva.

well at DM3.74bn worth of domestic shares, only slightly below Wednesday's level, on mainly domestic institutional

A number of blue chips showed falls, prompting one analyst to describe it as "a bit disappointing" given the good news on the US July trade fig-ures and the strong buying of German sbares in the after

market on Wednesday. However, it was accepted that a hrief correction was due. The German market has been the best performer in Europe in the third quarter, with a rise of some 8 per cent in the FAZ to date, according to brokers BZW. With economic growth more rapid than expected, incoming industrial orders improving, and the market on a prospective price earnings ratio of about 11.2 against 15.5 a year ago, there is further

recovery potential, it says. Financials again fared well, with Deutsche Bank up DM4.50 at DM510 and Allianz gaining DM13.50 to DM1,643.50. Engineer Linde, which said it planned to bny the Lansing forklift truck company of the UK, rose DM10 to DM690.

Bonds eased in profit-taking and the yield on the August 1998 federal bond edged up to 6.63 per cent from 6.62. PARIS took a hreather after

the bectic activity of the previous two sessions, although speculation in Midi kept volumes relatively healthy. Shares ended lower.

The froth surrounding lux-ury goods group LVMH, which helped boost total turnover in Paris to a 1988 record of FFr4.04bn on Wednesday, died down and profit-takers

There was some confusion over wbether the newly-purchased LVMH stock would carry voting rights at next week's extraordinary meeting. and even a rumour that the meeting was to be postponed. The expectation that the stake-building exercise was thus over sparked selling by the speculators, and LVMH plum-meted FFr315 to FFr3,051, a drop of 9.4 per cent.

Midi raced ahead by FFr120 to FFr1.430 - and was later quoted in London at FFr1.475 - with apparently little reason for the rise. The sharp move set the rumour mill running and the De Benedetti camp and Generali were names mentioned as possible buyers. Fellow investment holding

company Navigation Mixte benefited from the rumours, jumping FFr59, or 5.7 per cent,

At the end of the day the OMF 50 index was down 3.03, or 0.8 per cent, at 367.40, having climbed by 4.4 per cent over the previous two sessions. MILAN again saw better vol-

nme, with continuing interest in De Benedetti group stocks, while Generali and Fiat also attracted buying. The Comit index added 3.04 to 522.77 and turnover was estimated at more than L100bn on the pen-

TENSE trading in the oils sector added excitement and helped boost volumes to respectable levels yesterday, with share prices ending higher for the fourth consecu-

The PT-SE 100 index added 4.2 to 1.765.1 and turnover rose to 435.3m shares. Prices t some ground on the Chancellor's warning of higher inflation and Wall Street's mediocre opening.

ultimate day of the monthly trading account.
Fist, regarded by some as

undervalued, picked up L100 to L9,240, rising to L9,285 after hours. Generali added L840 to L91.900. There were rumours that Fiat might be buying into Generali through Its 30 per cent owned holding company Gemina in advance of the insurance group's rights issue, which starts on Monday.

Speculation continued about the De Benedetti group, with one new rumour that it was buying up stock in Interbanca, up L1.595, or 7 per cent, at L23,600. It was also suggested sell its stake in Midi of France to De Benedetti.

AMSTERDAM had a generally quieter day but one feature was Royal Dutch, which ended FI 5 higher at FI 233.50 after announcing a higher interim dividend and plans for a two-for-one stock split. The sharp revival of the oil price also gave it a boost.

The share price came off its highs after the dividend news, however. Brokers James Capel said the dividend, raised to Fl 5 from F1 4.50, would mean little in itself since the company was aiming at a better balance between its interim and final payouts and the final one would be cut. Capel's forecast is for a full year payout of Fl 13.80 against Fl 12.80 last year.

The stock split was more significant, it said, because inves-tors saw it as increasing the marketability of the shares. Bols, the distiller, added FI 1 to Fl 134 before amouncing an 11 per cent rise in first half profits to Fl 36.24m. Publishers hit profit-taking following Wednesday's boost from the

share swap between Elsevier and Pearson of the IIK. The CBS all-share index edged np 0.1 to 97.3, but vol-

ume was said to be lower than Wednesday's healthy F1 321m. MADRID enjoyed a bit of a rally for the second consecu-tive session, appearing already have discounted any possible had news contained in inflation figures for Angust,

due today or on Monday. The index rose 2.02 to 278.20 in generally light trading. There was strength in construction, a sector which is seeing a bit of Olympic fever, according to one analyst. Tha publicity surrounding the

Seoul games has reminded the market that Barcelona will

host the 1992 Olympics, ha BRUSSELS attracted strong foreign demand, especially in ntilities and chemicals, and closed sharply higher again. The cash index added 32.7 to 5,068.36.

Tractehel, the energy and engineering holding company, continued its upward climb, gaining BFr70 to BFr8,320, with a heavy 17,550 shares traded. In chemicals, Solvay proved 8 favourite for foreigners, putting on BFr625 to BFr13,100. ZURICH had another good

day, reacting to overnight gains on Wall Street fuelled by the US trade data. The Credit Suisse index added 14 to 467.4 in relatively active trading, accounted for largely hy

domestic investors. Suchard saw its bearers rise SFr40 to SFr7,405. The company said it would pay share-holders a 10 per cent bonus from the extraordinary profit

made on the sale of its stake in Rowntree of the UK.

Chemicals group Hoffmann-La Roche, subject of a buy recommendation by a Swiss bank, saw its baby certificates add SF7225 to SF712.250.
STOCKHOLM was little changed as investors held back amid political uncertainty before Sunday's general elec-tion. The Affarsvärlden index

rose 0.5 to 881.1. OSLO saw volumes rise to the highest for several weeks, while stocks closed mixed. Turnover reached NKr117m worth of shares, up from NKr104m, with the all-share index slipping 0.31 to 272.

Stability holds back index futures

With Tokyo on holiday, Michiyo Nakamoto looks at why Japan's new contracts are treated warily

he launch two weeks futures. For one thing, Septemago of Japan's first ber marks the end of the fiscal stock index futures contracts adds an extra dimension to what is already perhaps the world's fastest growing finan-

Japan boasts the largest stock market and the second largest bond market in the world and many analysts are confident that the stock index futures market will expand soon enough to match those

For the time being, however, Japanese investors are approaching their new trading instruments with some

The Tokyo and Osaka stock index futures contracts opened simultaneously with a festive bang on September 3, when trading value in contracts based on the Nikkei 225 share index reached an impressive Y2,100bn (\$15hn) in Osaka while that in Tokyo, based on the broader Tokyo Stock Exchange index (TOPIX),

reached Y1,669.4bn.
This flurry of activity, however, was largely a ceremonious show of support by investors who are not yet prepared for fully-fledged participation in futures trading. By the second day of trading, volume in Osaka fell to an estimated Y564bn while that in Tokyo retreated to an even lower Y358hn. Volume levels have moved only in a narrow range

since then. Several factors are contributing to the rather slow and uninspiring trading in index

SOUTH AFRICA

GOLD stocks closed slightly up, but off their highs, in quiet trading in Johannesburg yes-terday. The improved bullion price early in the day gave stocks an initial boost, but as bullion slipped, so did gold

Industrial stocks performed well, with Barlow Rand up 45 cents at R21, AECI picking up 40 cents to R11 and SA Breweries gaining 35 cents to R18.25. In golds, Randfontein gained

R2 to R238. Vaal Reefs was up 50 cents at R238.50, Driefontein moved up 50 cents to R31.50 and Kloof rose 25 cents to R31.25, while Freegold shed 20 cents to R27.

year for many financial institu-tions. With their settlement of accounts approaching, institu-tional investors are making few equity market moves which they would need to

hedge.
In addition, the actual equities indices have shown stability recently, with the Nikkei fluctuating between a little below 27,000 and a peak of 28,423 in the past three months. If this trend contin-ues, there will be little incen-tive to use futures trading as a hedging tool, designed to pro-tect portfolios against wild

swings.
Speculators, too, have little use for index futures while the market is sluggish, instead seeking out the few shares that are moving despite the overall sluggishness.

"Demand for futures trading is still low," says Mr Tamio Orimo, Section Chief of the Securities Department at Mit-sui Mutual Life Insurance. "If the Nikkei rises to the 30,000 level," he says, "then more people will opt to use futures as a means to hedge any possi-ble risks on the cash market." With volumes in index

futures low, contract prices tend to be volatile and this in turn does little to encourage further participation. "Wa're ready to take a more active part any day," says an official at Nippon Life Insurance. "We're just waiting for the markets to add volume." Lack of experience in stock

futures trading is also keeping investors from going beyond merely testing the waters.

The opportunity to become futures with stock futures.

acquainted with stock futures trading has been available on SIMEX, the Singapore International Monetary Exchange, which has offered futures trading in the Nikkei 225-sbare index since September 1986, and on the Osaka Securities Exchange, with a contract on 50 selected shares since June 1987. However, many investors admit they are not yet comfortable trading stock index futures. "We'd like to step up our activity gradually as we learn to become more sophisti-cated at this," says an official

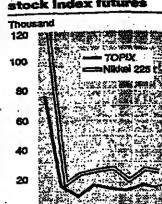
at Mitsubishi Bank.

The small number of open positions suggests that a majority of those currently trading on the futures markets may be doing so mainly for the practice. For exampla, open positions on the TOPIX December contract dropped to 13,959 on September 13 compared with 14,113 the day before. As one investor commented, in reference both to the quality and quantity of trading, "the markets right now look more like training grounds than like

the real thing."

Analysts also say both markets have been dominated by arbitrage trading - playing on the differences in prices between the futures contract and the stock market itself. Much of the activity is made up of cross trading. By trading a combination of buy and sell contracts twice, dealers are

Volume in stock index futures



able to increase their own trading volume without risking

Sep 1988

Most analysts say the real test for Japan's futures markets is likely to come after October, when fund managers will be starting anew and volume is expected to pick up in the equities markets as well.

However, investors will only

begin to use the new contracts on a big scala if prices in the stock market start to move around rather more vigorously. A Tokyo Stock Exchange offi-cial said: "in the long run the futures market has prospects for growth, hut in the short-run a stable equities market means less business for

5 A. M. M.

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ASIA PACIFIC

Australia welcomes US figures

National Australia; up 22 cents

at A\$7.02, Westpac, 14 cents higher at A\$6.12, and ANZ,

THE SURPRISINGLY good. July trade data from the US provided an early fillip for provided an early fully for share prices in Australia and Singapore, but Hong Kong dithered amid uncertainty over the market's direction. Tokyo was closed for a local holiday.

AUSTRALIA opened strongly on the back of the better-than-expected US trade figures and continued to gain ground closing sharply higher.

ground, closing sharply higher. The All Ordinaries index gained 18.4 to 1,567.9. Speculation that banks would increase their dividend payouts led to gains for Street overnight, although

climbing 14 cents to A\$5.34. Industrial Equity edged up 5 cents to A\$1.61 on news of an 63 per cent rise in earnings and retailer Coles Myer, reporting 50 per cent higher profits, added 15 cents to A\$10.80. Elsewhere, Adelaide Steamship gained 30 cents to A\$7.80 and News Corporation 15 cents

to A\$10.15.

SINGAPORE was also cheered by the US data and their positive effect on Wall

afternoon profit-taking reduced the day's gains. The Straits Times industrial

index put on 2.5 to 1,070.02 and turnover climbed to 19m shares from the previous day's 17m. Institutions chose to stay on the sidelines in the absence of a lead from Tokyo.

HONG KONG appeared to ignore the positive news from the US, falling back in thin trading. The Hang Seng index dropped 7.49 to 2,474.08. Turnover picked up from the

HK\$321m recorded on Wednes-HK\$473m worth of shares.

Caisse Nationale des Télécommunications

ECU 150,000,000 7% per cent. Notes due 1993

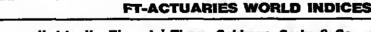
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June 1988



Jointly compiled by the Financial Times, Goldman, Sachs & Co., and Wood Mackenzie & Co. Ltd., in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS		WEDNESO	AY SEPTEM	BER 14 1988		TUESDAY SEPTEMBER 13 1968 DOLLAR IN					DEX	
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